

City of Maryland Heights, Missouri



Annual Comprehensive Financial Report For The Year Ended December 31, 2022

CITY OF MARYLAND HEIGHTS, MISSOURI

Annual Comprehensive Financial Report For The Fiscal Year Ended December 31, 2022

Prepared by:
Finance Department
Danielle Oettle, Director of Finance

CITY OF MARYLAND HEIGHTS, MISSOURI

FINANCIAL REPORT

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CITY OF MARYLAND HEIGHTS, MISSOURI
INTRODUCTORY

SECTION I - INTRODUCTORY SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI

PRINCIPAL OFFICIALS

DECEMBER 31, 2022

MAYOR

G. Michael Moeller

CITY COUNCIL

James Surgeon

Susan Taylor

Howard Abrams

Kim Baker

Charles Caverly

Nancy Medvick

Steve Borgmann

Norman A. Rhea

CITY ADMINISTRATOR

Tracey Anderson

CITY CLERK

Joann Cova

CHIEF OF POLICE

William Carson

DIRECTOR OF PUBLIC WORKS

Cliff Baber

DIRECTOR OF FINANCE

Danielle Oettle

DIRECTOR OF COMMUNITY DEVELOPMENT

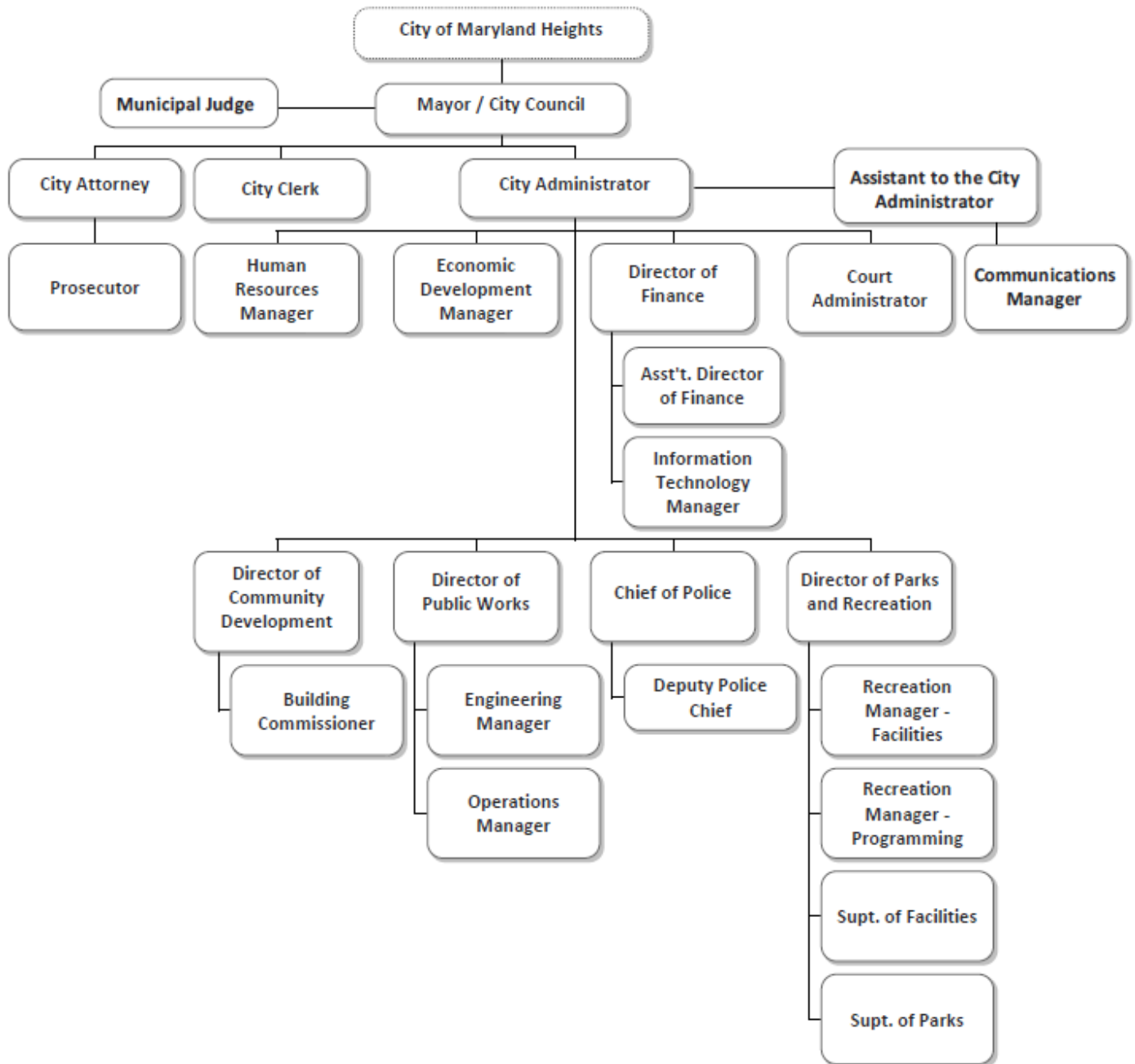
Michael Zeek

DIRECTOR OF PARKS AND RECREATION

Amy Hays

CITY OF MARYLAND HEIGHTS, MISSOURI

ORGANIZATIONAL CHART





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Maryland Heights
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



March 26, 2024

To the Citizens of the
City of Maryland Heights:

Pursuant to City policy and in conformance with state law, the Annual Comprehensive Financial Report of the City of Maryland Heights, Missouri (the City), for the fiscal year ending December 31, 2022, is hereby transmitted. This report was prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by an independent firm of licensed certified public accountants.

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

The City's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended December 31, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A, prepared by the City's Finance Department, can be found immediately following the independent auditor's report. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We

believe the data, as presented, are accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

Profile of the City

The City is located approximately 20 miles northwest of downtown St. Louis, Missouri. The City covers about 23.4 square miles and serves a population of 28,284 residents occupying approximately 13,343 housing units. The business community is quite diverse with 1,860 businesses employing 42,000 people. Also notable is the existence of over 4,000 hotel rooms, a casino, a 21,000-capacity outdoor amphitheater, and other popular nightlife activities. On a busy day, more than 130,000 people will live, shop, work, visit or stay in the City.

The City was incorporated on May 9, 1985 after citizens voted in November 1984 to incorporate the area. The City is a third-class city under Missouri law and has adopted the Mayor/Council/City Administrator form of government. The legislative body consists of eight council members and the Mayor. Council members are elected from four wards to serve two-year staggered terms, with four council members elected every year. The Mayor, elected at large to serve a four-year term, is the presiding officer of the City Council. The Mayor may only vote in the event of a tie by the City Council. The Mayor also has veto power.

The Mayor and Council are responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the City Administrator, City Clerk, City Attorney, Prosecutor, and the Municipal Court Judge. The City Administrator is responsible for carrying out the policies and ordinances of the City Council and for overseeing the day-to-day operations of the City. The City Administrator shall be the chief administrative assistant to the mayor.

The City provides a wide range of municipal services, including police, planning and zoning, code enforcement, economic development, public works, parks and recreation and general administration. The City defines its financial reporting entity in accordance with Government Accounting Standards Board statements. The financial statements of the City include activities of the City and all entities (component units) which are financially accountable to the City. The City's reporting entity includes the Industrial Development Authority of the City of Maryland Heights (IDA) which was the financing entity for the St. Louis Community Ice Center.

The annual budget serves as a complete financial and operational plan for the following year. All departments of the City are required to submit requests for appropriations to the City Administrator who uses these requests as a starting point for development of a proposed budget. The Director of Finance presents to the City Administrator estimates detailing the various revenues, grants, bond proceeds and other funding sources that are anticipated. The budget is prepared by fund. It is broken down further by departments, programs or projects within the departments, then object of expenditures (i.e., personal services, contractual services, commodities, capital assets, debt service) within programs and finally, line items within the objects. After consultation with the department heads, the City Administrator presents a proposed budget to the Mayor and City Council. The Mayor and Council hold workshops and at least one public hearing prior to adopting the budget by December 31. Department heads, with the City Administrator's approval, may transfer appropriated funds within departmental programs/projects. The legal level of control of the Council extends to the program/project level. The City Administrator is authorized to move funds within a department between programs/projects up to \$12,000. The Council must authorize transfers between departments or funds or any increase in a fund's budget. Budget-to-actual comparisons for the General Fund and Major Special Revenue Funds are provided in this report on as required supplementary information. For other governmental funds that have an adopted budget, comparison schedules are found in other supplementary information.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Global pandemic. In early 2020, the impact on human health and financial well-being of the world economy was historic as consequences of the coronavirus pandemic (COVID-19). The City relies heavily on a robust hospitality and entertainment industry to provide resources to fund services. Revenue areas affected included gaming taxes, sales taxes, utility taxes, court fees and fines, tourism taxes, recreation fees, and investment income. The City reacted immediately by curtailing some non-essential services and expenditures. Further, some large infrastructure maintenance and capital improvements were deferred. Economic activity began to return to previous pre-pandemic levels in 2021 and by the end of 2022, economic activity was nearly back to normal pre-pandemic levels. Revenues were mostly back to pre-pandemic levels by then end of 2022, but some were still less than the previous pre-pandemic fiscal year (2019) and the city continued to face challenges in filling some vacant positions and completing certain capital projects, mostly due to a shifting and shrinking workforce and major supply chain issues as a result of the global pandemic.

Local economy. The City is a suburban community located in northwest St. Louis County, Missouri with a diverse economic base represented by a mixture of many industries, numerous commercial enterprises, office buildings, and support services. The travel and hospitality industry has a major impact on the City's economy and service demands. Many firms have located in the City, creating a healthy mixture of commerce. Prominent names include Edward Jones, Charter Communications, World Wide Technology, Magellan Behavioral Health, Hollywood Casino, and United Healthcare of the Midwest.

Development activities remained strong in 2022. NorthPoint's Riverport Logistics Center, a \$37 million dollar project encompassing approximately 591,000 square feet of office and multi-use space moved forward in 2022. Residential development continued to take place with Neo Vantage Point, a 266 luxury apartment project totaling \$54 million, and Arbor Hills-Multi-Family Residential to "PDR" Planned District of 68 multi-family residential units. Many other new commercial businesses began plans to move into Maryland Heights including, Chick-fil-A, O'Reilly Auto Parts, The Watering Bowl, Quick Trip, and many new restaurants within the Westport Redevelopment area that are set to open in late 2023 or early 2024. KMOV, a local television and radio station made plans to relocate their headquarters and studios from downtown St. Louis. Maryland Heights earned a spot on Fortune Magazine's "Top 25 Best Places to Live for Families List" in 2022.

Due to strong reliance on revenue sources impacted by the pandemic and uncertainties on the financial viability of the Community Ice Center, in 2022 S&P Global downgraded the City's Issuer Credit Rating to BBB- with a "negative" outlook.

Riverboat gaming. A large portion (historically around 25% to 30% of governmental revenues) of the City's revenues is derived from taxes levied on the gaming facility located in the Riverport area operated as Hollywood Casino owned by Penn National Gaming, Inc., which purchased the property from Caesars Entertainment Corporation (under the Harrah's brand) in 2012. The ownership and operation of a gaming riverboat in Missouri is subject to extensive regulation pursuant to state law as administered by the Missouri Gaming Commission. Near the end of 2007, a new gaming facility, Lumiere Place, opened in downtown St. Louis. In St. Louis County, another casino, River City, opened in March, 2010. These facilities, both operated by Pinnacle Entertainment, have increased the competition in the marketplace thus decreasing market share of the Maryland Heights casino.

The casino was closed three months in 2020 due to health constraints necessitated by COVID-19 and, upon reopening, has had considerably lower activity than pre-pandemic levels. While activity began to rebound in 2021 and continued to grow in 2022, activity remains below normal as many restaurants are still operating with reduced hours due to staffing shortages. Gaming taxes of \$8,633,639 accounted for 21.2% of 2022 governmental revenues.

The Gaming Commission, along with the Missouri General Assembly, as it relates to legislative control of gambling, could have a major impact on the future financial condition of the City.

Relevant Financial Policies

Long-term financial planning. Each year the City updates its five-year capital improvement plan. Capital projects totaling about \$27.4 million are planned for the years 2023 through 2027. Historically, the City has used a pay-as-you go approach to infrastructure improvements and some long-term debt issuance to finance some of the cost of buildings and park facilities. The use of sales taxes, grants and taxes from the casino have enabled the City to make capital investments and maintain a high level of services.

Use of gaming taxes. As mentioned, the use of gaming taxes to fund capital improvements to avoid long-term debt reflects the City's policy. The City uses 30% of its gaming tax revenue to fund pay-as-you go capital improvements. The other 70% of the City's gaming tax revenue is allocated to the General Fund. The City will continue to evaluate the future use of its gaming tax revenue during the annual budget process.

Desired fund balance level. The City's goal is to maintain a General Fund balance equal to seventy-five percent (75%) of annual General Fund expenditures. This level was achieved in 2022.

Budgetary Initiatives

In addition to ongoing efforts to provide a high level of services and to plan and fund infrastructure and facility projects, the City made a commitment to expand leisure services beginning in 2017 with the opening of the new community center. The 92,000 square foot complex includes meeting rooms, gymnasiums, fitness center, and an indoor water park and entertainment and reception space. The aforementioned Community Ice Center, opened in September 2019, further expands leisure activities while providing an impetus to development. Expansion of trails, renovations of the City's water park, Aquaport, the construction of an interactive Sustainability Center and the acquisition of athletic fields emphasize the City's on-going commitment to leisure activities. The City is committed to continuing its community and economic development initiatives and continue to grow and as a premier destination spot for entertainment, business and families in the St. Louis Metropolitan Area, as evidenced by its Westport Plaza Redevelopment project heavily focused on entertainment, its many new large scale business projects and its status as a "Top 25 Best Places to Live for Families".

Awards and Acknowledgements

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report issued for the fiscal year ended December 31, 2021. This is the 34th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe this report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for its determination.

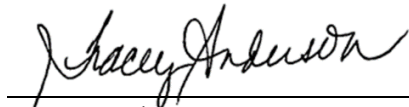
The GFOA also recognized the City with its Award for Outstanding Achievement in Popular Annual Financial Reporting for the City's Popular Annual Financial Report (PAFR) issued for the fiscal year ended December 31, 2021. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended December 31, 2022. In order to qualify for the award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGMENTS

This report could not have been completed without the assistance of the entire administrative staff of the various departments of the City. Special thanks goes to Assistant Director of Finance, Yudan Li for her contributions. We would also like to acknowledge our auditors, Sikich LLP, for their help in formulating this report. Our sincere gratitude is extended to the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Tracey Anderson
City Administrator



Danielle Oettle
Director of Finance

SECTION II - FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Maryland Heights, Missouri

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Maryland Heights, Missouri (the City), as of and for the year ended December 31, 2022, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of City of Maryland Heights, Missouri as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Govern-ment Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principle

The City adopted GASB statement No. 87, *Leases*, which established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset as reported in Note L. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

St. Louis, Missouri
March 26, 2024

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and Members of the City Council
City of Maryland Heights, Missouri

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Maryland Heights, Missouri (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 26, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Sikich LLP

St. Louis, Missouri
March 26, 2024

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis For The Year Ended December 31, 2022

This section of the City of Maryland Heights, Missouri's (the City) Annual Comprehensive Financial Report provides management's narrative overview and analysis of the City's financial activities based on currently known facts, decisions, and conditions for the fiscal year ended December 31, 2022. We encourage readers to consider the information here in conjunction with additional information that we furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- On a government-wide basis the assets and deferred inflow of resources of the City exceeded its liabilities and deferred outflows of resources amounts for the most recent fiscal year by \$191,709,771 ("net position"). Of this amount, \$19,351,563 may be used to meet the City's ongoing obligations to citizens and creditors. (See description below "government-wide statements".)
- In 2022 the City's total net position increased by \$4,037,007. In 2018 the City established an enterprise fund, Community Ice Center, to account for the construction and operation of a new facility that consists primarily of ice hockey programs. In 2022 activities of the fund resulted in a decrease from business-type activities in the City's net position by \$2,181,599. The governmental activities in 2022 resulted in an increase in net position of \$6,218,606.
- As of the close of fiscal year 2022, the City's governmental funds reported combined ending fund balances of \$44,597,935, an increase of \$5,572,844 in comparison with the prior year. The amount of unassigned fund balances available for future spending was \$26,763,207 or 60% of the total. (See description on following pages, "fund financial statements".)
- At the end of 2022, unassigned fund balance for the General Fund was \$26,778,177 or 113% of total General Fund expenditures for the year. This represents an increase of \$491,270 from 2021. Total General Fund balance increased from \$27,170,918 to \$28,311,058 due to revenues exceeding expenditures and other financing sources.
- The City experienced a recovery in 2022 from the impact the COVID-19 Pandemic had on the prior couple of years' revenues. The following revenues increased in 2022 when compared to 2021 for a combined total increase of \$7.3 million. Significant changes are as follows:
 - Building permits increased \$499 thousand, an increase of 46.6%
 - Gaming taxes increased by \$566 thousand, an increase of 7.0%
 - Sales taxes were up by \$4 million, an increase of 38.7%
 - Property taxes increased \$1 million, an increase of 171%
 - Investment income decreased \$1.1 million, a decrease of 1,380%
- The City received \$2.7 million in American Rescue Plan Act Funds in 2021 and another \$2.7 million in 2022. The City used approximately \$1.8 million of those funds to pay for its residential trash hauling service in 2022. The remaining amount will be used by the City to continue its residential trash hauling program in 2023.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis For The Year Ended December 31, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. There are three components to the basic statements:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

This report also contains required supplemental information and other supplemental information in addition to the basic financial statements.

Government-wide Financial Statements

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, general administration, finance and accounting, community development, public works, police services, judicial, parks and recreation, and human services. The business-type activity of the City includes the Community Ice Center Fund.

Fund Financial Statements

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

Governmental funds. Governmental funds are used to account for essential functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental funds' financial statements focus on near-term inflows and outflows of expendable resources, as

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well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains 14 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for two major funds: General Fund, and Special Park Fund. Data from the other governmental funds are combined into a single, aggregated presentation called "nonmajor governmental funds". Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements in the other supplemental information section in this report.

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Community Ice Center. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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 accounting used for fiduciary funds is much like that used for proprietary funds.

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

Required supplemental information. In addition to the basic financial statements and accompanying notes, certain required supplemental information can be found following the notes to the financial statements.

Other supplemental information. The combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, are presented immediately following the required supplemental information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$191,709,771 at the close of the most recent fiscal year ended December 31, 2022.

By far the largest portion of the City's net position (79%) reflects its investment in capital assets (e.g.; land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets

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are *not* available for future spending. Also, in general, resources needed to repay debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the City's net position (10%) represents restricted resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$19,351,563) may be used to meet the City's ongoing obligations to citizens and creditors.

The condensed statement of net position is as follows:

	December 31					
	Governmental		Business-type		Totals	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
ASSETS						
Current and other assets	\$ 63,617,882	\$ 60,391,009	\$ 32,415,221	\$ 7,620,642	\$ 96,033,103	\$ 68,011,651
Capital assets, net	149,088,271	153,140,610	66,241,177	68,520,186	215,329,448	221,660,796
Total Assets	<u>212,706,153</u>	<u>213,531,619</u>	<u>98,656,398</u>	<u>76,140,828</u>	<u>311,362,551</u>	<u>289,672,447</u>
DEFERRED OUTFLOWS OF RESOURCES						
	<u>4,631,818</u>	<u>3,264,242</u>	<u>-</u>	<u>-</u>	<u>4,631,818</u>	<u>3,264,242</u>
LIABILITIES						
Long-term liabilities	30,932,152	32,126,392	53,743,613	54,386,080	84,675,765	86,512,472
Other liabilities	6,104,785	4,182,554	5,774,287	4,211,066	11,879,072	8,393,620
Total Liabilities	<u>37,036,937</u>	<u>36,308,946</u>	<u>59,517,900</u>	<u>58,597,146</u>	<u>96,554,837</u>	<u>94,906,092</u>
DEFERRED INFLOWS OF RESOURCES						
	<u>3,953,346</u>	<u>10,357,833</u>	<u>23,776,415</u>	<u>-</u>	<u>27,729,761</u>	<u>10,357,833</u>
NET POSITION						
Net investment in capital assets	138,481,994	141,853,924	12,497,564	14,134,106	150,979,558	155,988,030
Restricted	18,326,659	16,357,935	3,051,991	2,518,845	21,378,650	18,876,780
Unrestricted	<u>19,539,035</u>	<u>11,917,223</u>	<u>(187,472)</u>	<u>890,731</u>	<u>19,351,563</u>	<u>12,807,954</u>
Total Net Position	<u>\$ 176,347,688</u>	<u>\$ 170,129,082</u>	<u>\$ 15,362,083</u>	<u>\$ 17,543,682</u>	<u>\$ 191,709,771</u>	<u>\$ 187,672,764</u>

At the end of the 2022 fiscal year, the City reports positive balances in both categories of net position and for the government as a whole.

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Overall the City's net position increased \$4,037,007 from 2021. Key elements of the change are as follows:

	For The Years Ended December 31					
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
REVENUES						
Program revenues:						
Charges for services	\$ 3,542,498	\$ 2,802,750	\$ 12,895,707	\$ 9,964,380	\$ 16,438,205	\$ 12,767,130
Operating grants and contributions	4,103,180	3,309,685	-	-	4,103,180	3,309,685
Capital grants and contributions	525,000	-	611,962	1,339,757	1,136,962	1,339,757
General revenues:						
Gaming tax	8,633,639	8,066,951	-	-	8,633,639	8,066,951
Sales tax	14,422,546	10,398,815	-	-	14,422,546	10,398,815
Utility tax	5,540,590	5,286,244	-	-	5,540,590	5,286,244
Property tax from tax increment financing	1,593,956	587,751	-	-	1,593,956	587,751
Other taxes	581,199	591,136	-	-	581,199	591,136
Business licenses tax	617,023	567,014	-	-	617,023	567,014
Intergovernmental	1,809,505	1,464,354	-	-	1,809,505	1,464,354
Investment earnings	(1,150,964)	(77,652)	730,612	(2,597)	(420,352)	(80,249)
Gain on sale of property	-	-	-	-	-	-
Other	561,557	509,730	-	-	561,557	509,730
Total Revenues	<u>40,779,729</u>	<u>33,506,778</u>	<u>14,238,281</u>	<u>11,301,540</u>	<u>55,018,010</u>	<u>44,808,318</u>
EXPENSES						
Legislative	163,838	161,543	-	-	163,838	161,543
General administration	2,497,321	2,412,920	-	-	2,497,321	2,412,920
Finance and accounting	1,236,885	1,328,982	-	-	1,236,885	1,328,982
Community development	2,130,112	2,337,323	-	-	2,130,112	2,337,323
Public works	10,657,217	9,255,022	-	-	10,657,217	9,255,022
Police services	10,469,198	9,326,588	-	-	10,469,198	9,326,588
Judicial	347,501	256,468	-	-	347,501	256,468
Parks and recreation services	5,036,359	4,779,804	-	-	5,036,359	4,779,804
Human services	172,512	174,664	-	-	172,512	174,664
Community Ice Center	-	-	17,219,880	13,765,282	17,219,880	13,765,282
Interest on long-term debt	1,050,180	1,240,243	-	-	1,050,180	1,240,243
Total Expenses	<u>33,761,123</u>	<u>31,273,557</u>	<u>17,219,880</u>	<u>13,765,282</u>	<u>50,981,003</u>	<u>45,038,839</u>
CHANGE BEFORE TRANSFERS	7,018,606	2,233,221	(2,981,599)	(2,463,742)	4,037,007	(230,521)
TRANSFERS	<u>(800,000)</u>	<u>(800,000)</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	6,218,606	1,433,221	(2,181,599)	(1,663,742)	4,037,007	(230,521)
NET POSITION	<u>170,129,082</u>	<u>168,695,861</u>	<u>17,543,682</u>	<u>19,207,424</u>	<u>187,672,764</u>	<u>187,903,285</u>
NET POSITION, DECEMBER 31	<u>\$ 176,347,688</u>	<u>\$ 170,129,082</u>	<u>\$ 15,362,083</u>	<u>\$ 17,543,682</u>	<u>\$ 191,709,771</u>	<u>\$ 187,672,764</u>

SIGNIFICANT CHANGES IN FUND NET POSITION

In 2022 the City's total net position decreased by \$4,037,007 due to revenues exceeding expenses in the City's governmental funds.

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Governmental activities. The governmental activities in 2022 resulted in an increase in net position of \$6,218,606 including transfers to the Enterprise Fund of \$800,000.

Revenues increased \$7,272,951 (22.2%) in 2022 compared to 2021. As mentioned previously, the COVID-19 pandemic effects on the local economy continued in 2021, but revenue began to return to normal in 2022 and most revenue sources met or surpassed pre-pandemic marks.

- Gaming taxes increased 7% from \$8,066,951 to \$8,633,639 in 2022.
- Operating grants and contributions increased \$793,000 in 2022, primarily due to an increase in the amount of ARPA (American Rescue Plan Act) funds used and a Municipal Parks Grant that was received in 2022 and not in 2021..
- Sales taxes increased \$4,023,731 or 38.7% in 2022.
- Investment income decreased \$1.1 million.
- Property taxes from tax increment financing increased by \$1 million in 2022 due to higher collections in the Westport Plaza TIF District.
- Charges for services by \$740,000 due to an increase in recreation user fees, court fines and building permits in 2022.
- Utility taxes increased \$254,000 or 4.8%.

Expenses were \$2.5 million higher in 2022 compared to 2021. The increase in expenses mostly relates to operational expenditures returning to a pre-COVID-19 level, an increase in personnel costs, and road and bridge maintenance along with other capital outlays that were delayed due to the Pandemic.

Business-type Activities. In 2018 the City established the Community Ice Center Fund to account for the financing, construction, and operation of a new 275,000 square foot multipurpose facility. Construction began in 2018; the facility opened in September 2019 and features three indoor and one outdoor regulation hockey rinks in addition to a Music Park that hosts approximately thirty concerts during the summer months. Revenues generated from leases, including a 30-year lease with the St. Louis Blues National Hockey League franchise for use as their training and practice facility, and other user fees are expected to provide for the operating, capital, and debt service needs.

Net position from business-type activities decreased \$2,181,599 in 2022 reflecting the third full year of operation of the new facility, capital contributions, transfers-in and non-operating expenses. Operating revenues from concert leases, sponsorships, and programs totaled \$12.9 million. Additionally, nonoperating intergovernmental revenue provided \$612,000. Expenses for operating, interest expense, and depreciation amounted to \$17.2 million. A transfer of \$175,000 from the City's Park Fund pursuant to a financing agreement also

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provided funds for the Ice Center. Further, the City transferred \$625,000 to the Ice Center Fund from the City's Reserve Fund as a backstop payment on the Debt Service Reserve Fund of the Ice Center. Unrestricted net position decreased \$1.1 million from \$890,000 to a negative \$187,000 due to increases in concert series and personnel expenses.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of 2022, the City's governmental funds reported combined ending fund balances of \$44,597,935, an increase of \$5,572,844 from 2021.

Over 60% of the total governmental fund balances at December 31, 2022 constitute *unassigned fund balance* (\$26,763,207), which is available for spending at the City's discretion. The remainder of the fund balance consists of nonspendable funds of \$922,077, restricted balances of \$6,351,396, committed balances of \$10,026,183, and assigned balances of \$538,072.

The nonspendable funds represent prepaid expenditures existing at December 31, 2022.

The restricted funds are comprised of resources that have enforceable limitations on their use that include debt service (\$40,492), police services (\$117,063), police officer training (\$3,774), sewer lateral (\$1,179,346), beautification (\$55,866), parks (\$110,594) and tax increment financing (\$4,844,261).

The committed funds are those that the City Council, through formal action, has imposed constraints on their use and consist of parks and recreation (\$4,675,348), street lighting (\$1,184,356), and funds committed for capital improvements (\$4,163,479).

The assigned balance consists of funds that the City intends to use for specific supplies, services, and other current expenditures (\$18,072) and the 2023 budget (\$520,000) as determined by the City Administrator or department directors pursuant to the City's purchasing regulations.

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The City accumulated a large balance in the General Fund to secure services without disruption in the event of economic downturns or natural disaster and minimize external borrowing. The uncertainty of the flow of gaming taxes has been an influence on the City's conservative approach to maintaining a healthy fund balance. The need for significant unassigned fund balance has become more apparent with the historic impact of the COVID-19 outbreak.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 113% of the total General Fund's expenditures. The General Fund's total balance represents 119% of 2022 expenditures.

Changes in fund balances for other major governmental fund is described as follows:

- In 2022, the Special Park Fund increased \$1,886,342, due to revenues exceeding expenditures by \$2,837,216. The Special Park Fund made several transfers totaling \$1,260,000, but still ended the year with a significant surplus in the fund at year end. Transfers included \$985,000 to the Community Center Debt Service Fund (representing the 2022 debt service due on the bonds issued in January 2015), a transfer of \$175,000 to the Community Ice Center Enterprise Fund pursuant to a financing agreement, and a transfer to the General Fund of \$100,000. Revenues in the fund are comprised of a sales tax restricted for parks, user fees, and grants. Revenues and operating expenditures in the fund were up considerably in 2022, an interest in recreation activities increased and sales tax revenue outperformed budget.
- In 2023, Nonmajor Funds increased \$2,546,362 due to revenues exceeding expenditures by \$1,531,535. The largest change from 2021 is the receipt of gaming taxes totaling \$2,590,092. Transfers received totaled \$1,014,827 including the \$985,000 transfer from the Special Park Fund for debt service and funds transferred from the General Fund totaling \$29,827 related to police forfeiture funds.

Proprietary funds. Beginning in 2018 the City established its only Proprietary Fund, an enterprise fund, to account for the Community Ice Center Fund. Information in the fund statements is similar to that presented in the government-wide financial statements, with more detail.

As noted earlier in the discussion of business-type activities, at the end of 2022 the net position of the Community Ice Center Fund was \$15,362,083, a decrease of (\$2,181,599). The new facility was substantially completed and opened for business in September 2019. 2020 was the first full year of operation, but activities were impaired due to the constraints necessitated by the COVID-19 Pandemic. Therefore, 2022 was the second year the facility was fully operational without mandated closures or limitations being imposed on the Ice Center. Operating revenues in 2022 were \$12,895,707, an increase of \$2,931,327 when compared to 2021, but operating expenses were significantly higher than revenue resulting in an operational loss of (\$1,534,179). Non-operating revenues of investment income and interest expense totaled (\$2,059,382), and resulted in an additional decrease in net position totaling (\$3,593,361) before transfers in of \$800,000 and capital grants of \$611,962. The total decrease in net position for 2022 totaled (\$2,181,599).

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

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In 2004, the City established, through a contribution of \$2 million from the General Fund, an "Other Post-Employment Benefit" (OPEB) Trust Fund to account for retiree health benefits. During 2022, investments had a net decrease in value of \$867,342. Benefits totaling \$104,122 were paid during 2022. The fund had \$4,339,747 in assets at December 31, 2022.

The City conforms to GASB Statement 75 regarding the disclosure requirements of OPEBs. Note H describes the retiree health plan and indicates that the plan is fully funded.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City experienced a significant growth in its revenue in 2022. However, the COVID-19 pandemic continued to impact some of the City's numerous entertainment destinations and hospitality venues in 2022. These facilities continued to experience fewer than normal guests than in years before the pandemic due to lingering caution by the public to visit large public spaces for a good part of the year. Additionally, many of the larger employers in Maryland Heights have decided to have their employees work remotely from home, which continues to have an impact on the City's revenues.

The final 2022 budget for the City's General Fund represents an original and final expenditure budget of \$25,110,272.

The General Fund ended the year with budgetary revenues exceeding expenditures by \$3,028,993. Other financing sources consisting of a transfer from the Park Fund of \$100,000 and insurance recoveries of \$108,403. The other financing use was comprised of transfers to other funds totaling \$654,827 including \$29,827 to the Police Forfeiture Fund and \$625,000 to the Community Ice Center Debt Service Reserve Fund. The result was a total increase in budgetary funds of \$2,582,569 in 2022 to \$29,908,752 at year-end.

The actual General Fund revenues and expenditures for the year varied slightly from the 2022 amended budget. Total revenues were 18.9% (\$4,282,052) more than budgeted and total actual expenditures were 5.0% (\$1,247,349) lower than budgeted. The noteworthy variances were:

- The most significant revenue budget variance was intergovernmental revenue, and related to the American Rescue Plan Act funds the City received in 2022. The City received approximately \$2.2 million in 2022 and allocated approximately \$1.8 million toward expenditures in 2022.
- Gaming taxes were \$256,453 less than budgeted, while sales tax revenue and sales tax revenue for public safety were \$915,706 and \$280,637, respectively, more than budgeted.
- Utilities gross receipts taxes were \$437,059 more than budgeted.
- Court revenues approximated budgeted revenues.
- Building permit and occupancy revenue increased in 2022 and were approximately \$885,000 more than budgeted.
- Gasoline and motor vehicle taxes were approximately \$109,000 more than budgeted in 2022.

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- Expenditures were \$1,247,349 (5.0%) below budget in 2022. Personnel related costs account for the majority of the variance due to unbudgeted employee turnover and unfilled vacant positions, including a large number of retirements, of which is attributed to the shifting workforce, and also as a result of Department Heads closely monitoring departmental expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for governmental and business-type activities as of December 31, 2022 amounts to \$215,329,448 (net of accumulated depreciation). This investment includes land, construction in progress, vehicles, equipment, buildings, park facilities, roads, bridges, and sidewalks. This represents a net decrease for the current fiscal year (including additions and deductions) of \$6,331,349 or 2.9% less than last year.

Capital assets used in governmental activities decreased approximately \$4.1 million due to additions of \$1,977,009, less depreciation of \$6,020,508.

	December 31					
	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Land and improvements	\$ 7,746,365	\$ 7,746,365	\$ 2,751,998	\$ 2,751,998	\$ 10,498,363	\$ 10,498,363
Buildings	37,097,923	38,364,781	56,307,860	58,864,142	93,405,783	97,228,923
Other improvements	12,965,866	13,781,519	5,171,744	5,409,544	18,137,610	19,191,063
Machinery and equipment	1,443,957	1,470,628	1,377,727	1,494,502	2,821,684	2,965,130
Software	13,139	13,140	-	-	13,139	13,140
Automobiles and trucks	1,286,308	1,529,091	-	-	1,286,308	1,529,091
Infrastructure	84,618,950	84,853,927	-	-	84,618,950	84,853,927
Construction in progress	3,915,763	5,381,160	631,848	-	4,547,611	5,381,160
Total	<u>\$ 149,088,271</u>	<u>\$ 153,140,611</u>	<u>\$ 66,241,177</u>	<u>\$ 68,520,186</u>	<u>\$ 215,329,448</u>	<u>\$ 221,660,797</u>

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the 2022 fiscal year. Fund financial statements record capital asset purchases as expenditures.

Additional information on the City's capital assets can be found in Note C on pages 43 and 44 of this report.

Long-term Debt

At the end of 2022, the City had total long-term debt obligations (net of unamortized discount and premium) for governmental activities in the amount of \$29,220,789 compared to \$30,629,219 at the end of 2021.

Business-type debt of \$53,746,613 was outstanding at the end of 2022 compared to \$54,386,080 in 2021. This represents the debt issued in 2018 through the Maryland Heights Industrial Development Authority (IDA), a blended component unit, to finance the construction of the Community Ice Center.

None of the debt outstanding represents general obligation bonds.

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	For The Years Ended December 31		Percentage Change
	2022	2021	
Governmental activities			
Community Center COPS	\$ 10,606,277	\$ 11,286,687	(6.03) %
Westport Plaza TIF Notes	18,614,512	19,342,532	(3.76)
Total	<u>\$ 29,220,789</u>	<u>\$ 30,629,219</u>	(4.60)
Business-type activities			
IDA Revenue Bonds - Community Ice Center	<u>\$ 53,743,613</u>	<u>\$ 54,386,080</u>	(1.18) %

During 2022 a total of \$675,000 plus certificates of participation premium of \$5,410 were retired. The resulting balance of certificates of participation plus unamortized premium was \$10,606,277.

During 2022, the City paid \$735,000 in tax increment and special district revenue bonds \$6,980 in discount was recognized to refund notes previously issued notes to finance eligible redevelopment costs in the Westport Plaza Tax Increment Financing district. The notes are special, limited obligations payable solely from incremental taxes and special taxes levied within the district.

In 2022, a total of \$635,000 of principal was paid on the IDA Revenue Bonds for the Community Ice Center Bonds. Amortized premium of \$7,467 was recognized.

Missouri state law limits the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for fiscal year 2022 was over \$121 million. The City has issued no debt covered by this limitation.

Additional information regarding the City's long-term debt can be found in Note E.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- As a City with a diverse economy, we have remained well-balanced even with the negative impacts of COVID-19 and are optimistic about the economic forecast for our community. Current unemployment rates within the City of Maryland Heights are approximately 2.2%, which is lower than the National and State rates at 3.7% and 2.4%, respectively.
- In 2022, the city ended the year with approximately \$27 million in unrestricted fund balance and is in a good position to address the challenges it may face in the future while maintaining services and obligations.
- The City's 2023 annual budget projects total expenditures of \$44,742,388, including capital investments of \$7.8 million.
- The City's capital improvement plan for 2023 to 2027 projects investment in infrastructure improvements, major equipment, and facilities of about \$27.4 million. Given the impacts on City resources the City may need to amend its plans and/or find new resources to finance the CIP.

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- The City's commitment to economic development and investments in the area is a major focus to grow the region's economic base. Maryland Heights is a hub for business and commercial development in the St. Louis Metropolitan area and continues to receive strong interest in future development along with a solid residential resale market and has created permanent employment throughout the region.
- The City relies heavily on gaming taxes generated by the Hollywood Casino, owned by Penn National Gaming, Inc., to fund services at the current level and provide funds for capital improvements. Casino activity in the St. Louis region has decreased over the years, but showed a slight rebound in 2022 and the City is optimistic that activity will continue increase in coming years.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, City of Maryland Heights, 11911 Dorsett Road, Maryland Heights, MO 63043.

CITY OF MARYLAND HEIGHTS, MISSOURI

STATEMENT OF NET POSITION

DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 43,107,338	\$ 1,570,080	\$ 44,677,418
Receivables	6,212,010	3,274,431	9,486,441
Lease receivables	-	24,313,909	24,313,909
Accrued interest	-	39,262	39,262
Prepaid items	922,077	109,701	1,031,778
Restricted assets - cash and investments	1,403,694	3,051,991	4,455,685
Inventory	-	55,847	55,847
Net OPEB asset	1,023,770	-	1,023,770
Net pension asset	10,948,993	-	10,948,993
Capital assets not being depreciated:			
Land	7,746,365	2,751,998	10,498,363
Infrastructure	35,749,991	-	35,749,991
Construction in progress	3,915,763	631,848	4,547,611
Capital assets, net of accumulated depreciation:			
Buildings	37,097,923	56,307,860	93,405,783
Other improvements	12,965,866	5,171,744	18,137,610
Machinery and equipment	1,443,957	1,377,727	2,821,684
Software	13,139	-	13,139
Automobiles and trucks	1,286,308	-	1,286,308
Infrastructure	48,868,959	-	48,868,959
Total Assets	<u>212,706,153</u>	<u>98,656,398</u>	<u>311,362,551</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	2,841,491	-	2,841,491
Deferred amounts related to OPEB	1,790,327	-	1,790,327
Total Deferred Inflows Of Resources	<u>4,631,818</u>	<u>-</u>	<u>4,631,818</u>
LIABILITIES			
Accounts payable and accrued expenses	1,322,550	1,183,484	2,506,034
Accrued interest	189,079	762,233	951,312
Accrued payroll	751,391	-	751,391
Deposits held for others	1,380,581	-	1,380,581
Unearned revenue	2,461,184	3,828,570	6,289,754
Noncurrent liabilities:			
Due within one year	3,675,835	710,000	4,385,835
Due in more than one year	27,256,317	53,033,613	80,289,930
Total Liabilities	<u>37,036,937</u>	<u>59,517,900</u>	<u>96,554,837</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	2,471,669	-	2,471,669
Deferred amounts related to OPEB	1,481,677	-	1,481,677
Deferred amounts related to leases	-	23,776,415	23,776,415
Total Deferred Outflows Of Resources	<u>3,953,346</u>	<u>23,776,415</u>	<u>27,729,761</u>
NET POSITION			
Net investment in capital assets	138,481,994	12,497,564	150,979,558
Restricted for:			
Debt service	40,492	3,051,991	3,092,483
Tax increment funds	4,844,261	-	4,844,261
Other purposes	1,469,143	-	1,469,143
Pension	10,948,993	-	10,948,993
OPEB	1,023,770	-	1,023,770
Unrestricted	19,539,035	(187,472)	19,351,563
Total Net Position	<u>\$ 176,347,688</u>	<u>\$ 15,362,083</u>	<u>\$ 191,709,771</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenues (Expenses) And Changes In Net Position		
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities							
Legislative	\$ 163,838	\$ -	\$ -	\$ -	\$ (163,838)	\$ -	\$ (163,838)
General administration	2,497,321	-	-	-	(2,497,321)	-	(2,497,321)
Finance and accounting	1,236,885	-	-	-	(1,236,885)	-	(1,236,885)
Community development	2,130,112	1,804,910	1,531,909	-	1,206,707	-	1,206,707
Public works	10,657,217	370,809	2,567,967	-	(7,718,441)	-	(7,718,441)
Police services	10,469,198	817,636	-	-	(9,651,562)	-	(9,651,562)
Judicial	347,501	-	-	-	(347,501)	-	(347,501)
Parks and recreation	5,036,359	549,143	3,304	525,000	(3,958,912)	-	(3,958,912)
Human services	172,512	-	-	-	(172,512)	-	(172,512)
Interest and fiscal charges	1,050,180	-	-	-	(1,050,180)	-	(1,050,180)
Total Governmental Activities	33,761,123	3,542,498	4,103,180	525,000	(25,590,445)	-	(25,590,445)
Business-type Activities							
Community Ice Center	17,219,880	12,895,707	-	611,962	-	(3,712,211)	(3,712,211)
	<u>\$ 50,981,003</u>	<u>\$ 16,438,205</u>	<u>\$ 4,103,180</u>	<u>\$ 1,136,962</u>	<u>(25,590,445)</u>	<u>(3,712,211)</u>	<u>(29,302,656)</u>
General Revenues							
Gaming tax					8,633,639	-	8,633,639
Sales tax					14,422,546	-	14,422,546
Utility tax					5,540,590	-	5,540,590
Property tax from tax increment financing					1,593,956	-	1,593,956
Hotel/motel tax					304,027	-	304,027
Cigarette tax					45,531	-	45,531
Business license tax					617,023	-	617,023
Cable franchise tax					231,641	-	231,641
Intergovernmental					1,809,505	-	1,809,505
Investment earnings					(1,150,964)	730,612	(420,352)
Other					561,557	-	561,557
Transfers					(800,000)	800,000	-
Total General Revenues And Transfers					31,809,051	1,530,612	33,339,663
CHANGE IN NET POSITION					6,218,606	(2,181,599)	4,037,007
NET POSITION, JANUARY 1					170,129,082	17,543,682	187,672,764
NET POSITION, DECEMBER 31					<u>\$ 176,347,688</u>	<u>\$ 15,362,083</u>	<u>\$ 191,709,771</u>

See notes to financial statements

CITY OF MARYLAND HEIGHTS, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2022

	Major Funds		Nonmajor	Total
	General	Special Park	Governmental Funds	Governmental Funds
ASSETS				
Cash and investments	\$ 27,806,563	\$ 4,861,035	\$ 10,439,740	\$ 43,107,338
Cash and investments - restricted	1,403,656	-	38	1,403,694
Accounts receivable:				
Municipal taxes	3,237,939	832,998	1,535,022	5,605,959
Licenses, permits, fines, and fees	431,515	-	-	431,515
Intergovernmental	-	132,519	-	132,519
Accrued interest	42,017	-	-	42,017
Prepaid items	922,077	-	-	922,077
Due from other funds	87,726	-	-	87,726
Total Assets	<u>\$ 33,931,493</u>	<u>\$ 5,826,552</u>	<u>\$ 11,974,800</u>	<u>\$ 51,732,845</u>
LIABILITIES				
Accounts payable	\$ 681,475	\$ 349,442	\$ 291,633	\$ 1,322,550
Accrued payroll	655,702	88,637	7,052	751,391
Deposits held for others	1,380,581	-	-	1,380,581
Due to other funds	-	-	87,726	87,726
Unearned revenue	2,230,804	229,088	1,292	2,461,184
Total Liabilities	<u>4,948,562</u>	<u>667,167</u>	<u>387,703</u>	<u>6,003,432</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>671,873</u>	<u>373,443</u>	<u>86,162</u>	<u>1,131,478</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	922,077	-	-	922,077
Restricted for:				
Debt service	-	-	40,492	40,492
Police forfeitures	-	-	117,063	117,063
Sewer lateral	-	-	1,179,346	1,179,346
Police training	-	-	3,774	3,774
Beautification	-	-	55,866	55,866
Parks	-	110,594	-	110,594
Tax increment funds	-	-	4,844,261	4,844,261
Committed for:				
Parks	-	4,675,348	-	4,675,348
Streetlighting	-	-	1,184,356	1,184,356
Capital improvements	72,732	-	4,090,747	4,163,479
Assigned for:				
Purchases on order	18,072	-	-	18,072
Subsequent year's budget	520,000	-	-	520,000
Unassigned (deficit)	<u>26,778,177</u>	<u>-</u>	<u>(14,970)</u>	<u>26,763,207</u>
Total Fund Balances	<u>28,311,058</u>	<u>4,785,942</u>	<u>11,500,935</u>	<u>44,597,935</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 33,931,493</u>	<u>\$ 5,826,552</u>	<u>\$ 11,974,800</u>	<u>\$ 51,732,845</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total Fund Balances - Total Governmental Funds \$ 44,597,935

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$250,042,401 and the accumulated depreciation is \$100,954,130. 149,088,271

Some revenues are not available soon enough (within 30 days of the fiscal year-end) to pay for current expenditures and are not reported as revenue in the governmental funds. 1,131,478

Certain items are not financial resources and, therefore, are not reported in the governmental funds. These items consist of:

Net pension asset	10,948,993
Deferred outflows related to pensions	2,841,491
Deferred inflows related to pensions	(2,471,669)
Net OPEB asset	1,023,770
Deferred outflows related to OPEB	1,790,327
Deferred inflows related to OPEB	(1,481,677)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.

Notes and certificates of participation payable	(29,240,000)
Certificates of participation premium	(66,277)
Revenue bond discount	85,488

Interest on long-term debt is recognized as an expenditure when due in the governmental funds. (189,079)

Compensated absences are not reported in the governmental funds. (1,711,363)

Total Net Position Of Governmental Activities \$ 176,347,688

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Major Funds		Nonmajor	Total
	General	Special Park	Governmental Funds	Governmental Funds
REVENUES				
Municipal taxes	\$ 20,727,651	\$ 5,538,330	\$ 5,984,211	\$ 32,250,192
Licenses, permits, fines, and fees	3,548,712	-	-	3,548,712
Charges for services	-	1,775,748	-	1,775,748
Intergovernmental	2,160,874	525,000	1,559,001	4,244,875
Investment income	(1,169,015)	-	18,051	(1,150,964)
Other	26,000	3,304	34	29,338
Total Revenues	<u>25,294,222</u>	<u>7,842,382</u>	<u>7,561,297</u>	<u>40,697,901</u>
EXPENDITURES				
Current:				
Legislative	163,838	-	-	163,838
General administration	2,176,083	-	-	2,176,083
Finance and accounting	1,415,911	-	-	1,415,911
Community development	2,060,005	-	329,165	2,389,170
Public works	5,152,082	-	690,075	5,842,157
Police services	11,545,393	-	158,616	11,704,009
Judicial	365,523	-	-	365,523
Parks and recreation	504,910	4,492,060	5,200	5,002,170
Human services	172,512	-	-	172,512
Capital outlay	151,401	513,106	2,377,728	3,042,235
Debt service:				
Principal	-	-	1,410,000	1,410,000
Interest	-	-	1,058,978	1,058,978
Total Expenditures	<u>23,707,658</u>	<u>5,005,166</u>	<u>6,029,762</u>	<u>34,742,586</u>
REVENUES OVER EXPENDITURES	<u>1,586,564</u>	<u>2,837,216</u>	<u>1,531,535</u>	<u>5,955,315</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	-	1,014,827	1,114,827
Transfers out	(654,827)	(1,260,000)	-	(1,914,827)
Insurance recoveries	108,403	309,126	-	417,529
Total Other Financing Sources (Uses)	<u>(446,424)</u>	<u>(950,874)</u>	<u>1,014,827</u>	<u>(382,471)</u>
NET CHANGE IN FUND BALANCES	1,140,140	1,886,342	2,546,362	5,572,844
FUND BALANCES, JANUARY 1	<u>27,170,918</u>	<u>2,899,600</u>	<u>8,954,573</u>	<u>39,025,091</u>
FUND BALANCES, DECEMBER 31	<u>\$ 28,311,058</u>	<u>\$ 4,785,942</u>	<u>\$ 11,500,935</u>	<u>\$ 44,597,935</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net Change In Fund Balances - Governmental Funds	\$ 5,572,844
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$6,020,508) exceeded capital outlays over the capitalization threshold (\$1,977,009) in the current period.	(4,043,499)
The net effect of various transactions involving capital assets:	
Cost of disposals, net of accumulated depreciation	(8,841)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:	
Decrease in unavailable revenue	(689,432)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items and includes:	
Repayments:	
Principal paid on long-term debt	\$ 1,410,000
Amortization	(1,570)
Net Adjustment	1,408,430
Compensated absences reported on the statement of activities differs from the amount reported in the governmental funds because the short-term liability is recorded as an expenditure in the funds at year-end, whereas the long-term portion does not require the use of current financial resources:	
Increase in accrued compensated absences	(214,191)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Decrease in accrued interest	15,458
OPEB expense	(89,552)
Pension expense	4,267,389
Change In Net Position Of Governmental Activities	<u>\$ 6,218,606</u>

CITY OF MARYLAND HEIGHTS, MISSOURI**STATEMENT OF NET POSITION - ENTERPRISE FUND****DECEMBER 31, 2022**

	Community Ice Center
ASSETS	
Current Assets	
Cash and investments	\$ 1,570,080
Cash and investments - restricted	3,051,991
Receivables:	
Accounts	3,274,431
Leases	24,313,909
Accrued interest	39,262
Inventory	55,847
Prepays	109,701
Total Current Assets	<u>32,415,221</u>
Noncurrent Assets	
Land	2,751,998
Construction in progress	631,848
Other capital assets, net of accumulated depreciation	62,857,331
Total Noncurrent Assets	<u>66,241,177</u>
Total Assets	<u>98,656,398</u>
LIABILITIES	
Current Liabilities	
Accounts payable	1,183,484
Unearned revenue	3,828,570
Current maturities of debt payable	710,000
Accrued interest	762,233
Total Current Liabilities	<u>6,484,287</u>
Noncurrent Liabilities	
Debt payable, net	53,033,613
Total Liabilities	<u>59,517,900</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - leases	<u>23,776,415</u>
NET POSITION	
Net investment in capital assets	12,497,564
Restricted for debt service	3,051,991
Unrestricted	<u>(187,472)</u>
Total Net Position	<u>\$ 15,362,083</u>

See notes to financial statements

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Community Ice Center
OPERATING REVENUES	
Concert series	\$ 7,019,088
Private ice rental	1,734,902
Ice programs	986,213
Service income	348,555
Concessions, catering and restaurant	1,350,766
Naming rights	335,619
Tenant rental and other	1,120,564
Total Operating Revenues	<u>12,895,707</u>
OPERATING EXPENSES	
Concert series	6,640,318
Personnel services	1,854,665
Food and beverage	643,336
Event services	659,105
Services and supplies	1,647,941
Depreciation	2,984,521
Total Operating Expenses	<u>14,429,886</u>
OPERATING LOSS	<u>(1,534,179)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	730,612
Interest expense	(2,789,994)
Total Nonoperating Revenues (Expenses)	<u>(2,059,382)</u>
NET LOSS BEFORE TRANSFERS, CAPITAL GRANTS AND CONTRIBUTIONS	(3,593,561)
TRANSFERS	
Transfers in	<u>800,000</u>
CAPITAL GRANTS AND CONTRIBUTIONS	
Intergovernmental	611,962
Total Capital Grants And Contributions	<u>611,962</u>
CHANGE IN NET POSITION	(2,181,599)
NET POSITION, JANUARY 1	<u>17,543,682</u>
NET POSITION, DECEMBER 31	<u><u>\$ 15,362,083</u></u>

See notes to financial statements

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Community Ice Center</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities:	
Receipts from customers and users	\$ 12,509,914
Payments to suppliers	(10,155,670)
Payments to employees	(1,854,665)
Net Cash Provided By Operating Activities	<u>499,579</u>
Cash flows from noncapital financing activities:	
Transfers in	<u>800,000</u>
Net Cash Used In Noncapital Financing Activities	<u>800,000</u>
Cash flows from capital and related financing activities:	
Interest paid on bonds	(2,809,836)
Principal paid on bonds	(635,000)
Intergovernmental revenue	611,962
Acquisition and construction of capital assets	(705,512)
Net Cash Used In Capital And Related Financing Activities	<u>(3,538,386)</u>
Cash flows provided by investing activities:	
Interest received	<u>639,540</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,599,267)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>6,221,338</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 4,622,071</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (1,534,179)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	2,984,521
(Increase) decrease in:	
Accounts receivable	(1,964,281)
Lease receivables	1,490,874
Inventory	-
Prepaid items	(25,071)
Increase (decrease) in:	
Accounts payable	(539,899)
Accrued liabilities	-
Accrued wages	-
Unearned revenue	2,115,982
Deferred inflows related to leases	(2,028,368)
Total Adjustments	<u>2,033,758</u>
Net Cash Provided By Operating Activities	<u><u>\$ 499,579</u></u>
Supplemental disclosure of cash flow information:	
Cash and cash equivalents from:	
Current assets	\$ 1,570,080
Restricted current assets	<u>3,051,991</u>
Total	<u><u>\$ 4,622,071</u></u>

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2022

	Other Post- employment Benefit Trust Fund
ASSETS	
Cash	\$ 41,526
Investments - mutual funds:	
Domestic equity	2,466,265
International equity	510,109
Domestic fixed income	1,242,004
International fixed income	79,843
Total Assets	<u>4,339,747</u>
LIABILITIES	<u>-</u>
NET POSITION RESTRICTED FOR OPEB	<u><u>\$ 4,339,747</u></u>

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Other Post- employment Benefit Trust Fund
ADDITIONS	
Investment earnings	\$ (867,342)
Less - Investment expenses	<u>2,294</u>
Net investment earnings	(869,636)
DEDUCTIONS	
Benefit payments	<u>(104,122)</u>
CHANGE IN NET POSITION	(973,758)
NET POSITION RESTRICTED FOR OPEB, JANUARY 1	<u>5,313,505</u>
NET POSITION RESTRICTED FOR OPEB, DECEMBER 31	<u><u>\$ 4,339,747</u></u>

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF MARYLAND HEIGHTS, MISSOURI** (the City) was incorporated May 9, 1985 as the result of a special incorporation election held November 6, 1984. The City operates as a third-class city under the Missouri state statutes. It has a mayor/council/city administrator form of government and provides the following services: legislative, general administration, finance and accounting, community development, public works, police services, judicial, parks and recreation, and human services.

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

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope for the reporting entity are based on the applicable GASB requirements. 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 units' Board or because the component unit will provide a financial benefit to or impose a financial burden on the City. Based on these criteria, the City has determined that its financial reporting entity consists of the City (the primary government), the Industrial Development Authority of the City of Maryland Heights (IDA) (blended component unit), and the Other Post-employment Benefit Trust Funds (OPEB).

The IDA is not-for-profit Corporation established by resolution of the City Council and formed under RSMo Chapter 349. It is designed to promote commercial and industrial developments in the City. The City appoints members to the IDA's Board of Directors. The IDA activity has been incorporated into the City's annual budget process and must obtain City Council approval before expending funds. The IDA is accounted for as part of the City's primary operations within the Enterprise Fund because of the financial arrangements between the City and the IDA. Management of the City has operational responsibilities for the IDA. The IDA does not issue a separate report.

The OPEB was created to provide health insurance benefits to qualified retirees of the City, in accordance with a retiree health plan established by the City. The OPEB is a trust fund of the City established by the City Council. The OPEB is governed by the City Council. Accordingly, the OPEB meets the definition of a fiduciary component unit and is reported as an OPEB trust fund in these financial statements. The OPEB plan does not issue a separate report.

2. Government-wide and Fund Financial Statements

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

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-wide and Fund Financial Statements (Continued)

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

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

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

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

Governmental funds financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The City reports the following major governmental funds:

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

Special Park Fund -- This fund was established in 1997 to account for a portion of the revenues derived from a one-half cent parks and storm water sales tax approved by voters in 1996. Expenditures are restricted for parks, storm water, and related facilities.

The City reports the following major proprietary fund:

Community Ice Center Fund -- This enterprise fund accounts for the operations and construction of the indoor/outdoor ice complex.

Additionally, the City reports the following fund type:

Other Post-employment Benefit Trust Fund -- This fund accounts for the accumulation of resources for post-employment health benefit payments to qualified employees.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Fund is ice rental and other user fees. Operating expenses for the Enterprise Funds include costs of operations and administrative expenses.

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Cash and Cash Equivalents

The City's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the City's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

5. Investments

The City maintains a cash and investment pool that is available for use by all funds. State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, and repurchase agreements.

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

6. Restricted Assets

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

7. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. In the case of the initial capitalization of general infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost of the initial reporting of those assets through back trending. A percentage of the historical costs allocated to account for the nondepreciable components of the road system (land, clearing, deforestation, blasting, etc.).

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Capital Assets (Continued)

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

Asset	Years
Buildings	20 - 40
Other improvements	20 - 40
Machinery and equipment	6 - 10
Software	10
Automobiles and trucks	5 - 10
Infrastructure	10 - 50

8. Compensated Absences

The City recognizes compensated absences expense when earned by the employee in the government-wide financial statements. Vacations accrue to employees based on weeks of continuous service. Upon leaving the employment of the City, an employee is entitled to payment for accrued vacation and other eligible leave. A liability for unused vacation compensation has been recorded as long-term debt as it is expected to be paid from future resources. The City provides vested sick leave benefits based on the employee's number of years of service and age.

9. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Debt payable is reported net of the applicable bond premium or discount.

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

10. Fund Balance/Net Position

The City's policy is to report the fund balance in the following categories, when applicable, listed from most restrictive to the least restrictive:

Nonspendable -- The portion of fund balance that is legally or contractually required to be maintained or is not in spendable form (such as prepaid items).

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Fund Balance/Net Position (Continued)

Restricted -- The portion of fund balance that is subject to enforceable legal restrictions by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed -- The portion of fund balance with self-imposed constraints or limitations that have been imposed by ordinance of the City Council. Such constraint is binding unless modified or rescinded by formal action of the City Council. Typically, the Council establishes special revenue funds, and approves certain contracts for services or goods (encumbrances) to commit certain resources.

Assigned -- The portion of fund balance that the City intends to use for a specific purpose; intent can be expressed by the City Administrator or department director pursuant to the City's purchasing regulations per City Council ordinance.

Unassigned -- Amounts that are available for any purpose; these positive amounts are reported only in the General Fund. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts in the following order: restricted, committed, assigned, and then unassigned. The City's policy is to maintain expenditure increases at a moderate growth rate, and to limit expenditures to anticipated revenue to maintain a balanced budget. The decision to retain fund balance of not less than 75% of operating expenditures stems from the following:

- This amount provides adequate funding to cover approximately nine months of operating expenditures. Operating expenditures are considered as total expenditures less capital outlays of the General Fund and Special Park Fund.
- This amount provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent as revenue recognition precedes receipt and grant funds are on a reimbursement basis.
- This amount provides the liquidity to respond to unanticipated revenue shortfalls. Since about one-fourth of City revenue is derived from one source (gaming tax) which is subject to an uncontrollable market and regulatory factors, the fund balance should be maintained at a higher level than otherwise would be considered.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Fund Balance/Net Position (Continued)

- This amount provides for unanticipated expenditures due to uncontrollable factors such as weather related conditions.
- This amount provides resources to lessen the need to finance major capital improvements through external funding via long-term debt.

Should the balance fall below the desired amount, the City Administrator will develop a plan to replenish the fund balance and submit to the City Council.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any outstanding long-term debt issued to acquire or construct the capital assets.

11. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded to distinguish that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental type funds. Encumbrances outstanding at year-end are reported as a restricted, committed, or assigned portion of fund balances since they do not constitute expenditures or liabilities because the encumbrances will be honored during the subsequent year. Encumbrances for the General, Special Park, and Nonmajor Special Revenue Funds amounted to \$90,804, \$13,400, and \$65,396 respectively, as of December 31, 2022.

12. Interfund Transactions

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

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

13. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets 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 statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources represents an acquisition of net assets that applies to future period and so will not be recognized as an inflow of resources (revenue) until that time.

15. Use of Estimates

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

16. Pensions

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

As of December 31, 2022, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments

As of December 31, 2022, the City had the following investments:

Investments	Fair Value	Maturities				Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	More Than 5 Years	
Governmental Funds						
Federal Agency notes:						
Federal Home Loan Bank	\$ 9,533,802	\$ -	\$ 986,780	\$ 8,547,022	\$ -	AA
Federal Farm Credit Bank	7,494,649	-	3,819,279	3,675,370	-	AA
Federal Home Loan Mortgage Corporation	1,852,780	-	-	1,852,780	-	AA
Total Federal Agency Notes	18,881,231	-	4,806,059	14,075,172	-	
U.S. Treasury Notes	1,953,281	-	1,953,281	-	-	N/A
Repurchase agreement	9,873,045	-	9,873,045	-	-	AA
Certificate of deposit - negotiable	7,105,000	-	2,205,000	4,900,000	-	N/A
Money market funds	2,901,261	2,901,261	-	-	-	N/A
MOSIP	3,797,214	3,797,214	-	-	-	AAA
Total Governmental Funds	44,511,032	6,698,475	18,837,385	18,975,172	-	
Enterprise Funds						
Money market funds	4,622,071	-	4,622,071	-	-	N/A
Total Enterprise Funds	4,622,071	-	4,622,071	-	-	
Fiduciary Funds						
Mutual Funds:						
Domestic equity	2,466,265	2,466,265	-	-	-	N/A
International equity	510,109	510,109	-	-	-	N/A
Domestic fixed income	1,242,004	1,242,004	-	-	-	N/A
International fixed income	79,843	79,843	-	-	-	N/A
Total Fiduciary Funds	4,298,221	4,298,221	-	-	-	
Grand Total Investments	\$ 53,431,324	\$ 10,996,696	\$ 23,459,456	\$ 18,975,172	\$ -	

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City will minimize credit risk by prequalifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business and by diversifying the investment portfolio so that potential losses on individual securities will be minimized.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City's investment policy does not allow investments in securities maturing in over five years unless approved by the City Council.

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investment held by a third-party custodian as evidenced by safekeeping receipts.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy limits investments to: 1) bonds, bills, or notes of the United States or an agency of the United States; 2) negotiable certificates of deposit, savings accounts, and other interest earning deposit accounts; or 3) repurchase agreements against eligible collateral. The city does not invest in any foreign currency.

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represent 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt). At December 31, 2022, the City had the following investment concentrations.

<u>Investments</u>	<u>Fair Value</u>	<u>Percent Of Total Investments</u>
Governmental Funds		
Repurchase Agreement	\$ 9,908,000	22.2%
Certificates of deposit - certain banks greater than 5%	7,105,000	16.0
MOSIP	3,797,214	8.5
Enterprise Funds		
Money market Funds	4,622,071	100.0

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Investment in Investment Pool

The City is a voluntary participant in the Missouri Securities Investment Program (MOSIP) that is a cooperative investment service established by an intergovernmental cooperative agreement. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by MOSIP for the entire MOSIP portfolio (in relation to the amortized cost of the portfolio).

The Missouri Securities Investment Program (MOSIP) was established on October 3, 1991, as an instrumentality of Missouri Public School Districts, municipalities and other political subdivisions pursuant to an intergovernmental cooperation agreement executed under the laws of the State of Missouri. MOSIP is governed by a board of directors elected by members. The objective of MOSIP is to enable eligible organizations to pool their available funds for investments in instruments permitted by Missouri Law. The City's participation currently is through investment in the MOSIP Money Market Series which is rated AAA from Standard & Poor's.

3. Fair Value Measurements

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

3. Fair Value Measurements (Continued)

		December 31, 2022		
	Total	Level 1	Level 2	Level 3
Investments by fair value level:				
Governmental Funds				
MOSIP	\$ 3,797,214	\$ -	\$ 3,797,214	\$ -
Certificates of deposit - negotiable	7,105,000			
Government securities:				
Federal Farm Credit Bank	7,494,649	-	7,494,649	-
Federal Home Loan Bank	9,533,802	-	9,533,802	-
Federal National Mortgage Corporation	1,852,780	-	1,852,780	-
U.S. Treasury Notes	1,953,281	-	1,953,281	-
Total Governmental Funds	<u>31,736,726</u>	<u>-</u>	<u>24,631,726</u>	<u>-</u>
Fiduciary Funds				
Mutual Funds:				
Domestic equity	2,466,265	2,466,265	-	-
International equity	510,109	510,109	-	-
Domestic fixed income	1,242,004	-	1,242,004	-
International fixed income	79,843	-	79,843	-
Total Fiduciary Funds	<u>4,298,221</u>	<u>2,976,374</u>	<u>1,321,847</u>	<u>-</u>
Total Investments By Fair Value Level	<u>36,034,947</u>	<u>\$ 2,976,374</u>	<u>\$ 25,953,573</u>	<u>\$ -</u>
Investments not subject to fair value level classification:				
Governmental Funds				
Money market funds	2,901,261			
Repurchase agreement	9,873,045			
Total Governmental Funds	<u>12,774,306</u>			
Enterprise Funds				
Money market funds	<u>4,622,071</u>			
Total Investments Not Subject To Fair Value	<u>17,396,377</u>			
Total Primary Government Investments	<u>\$ 53,431,324</u>			

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

For The Year Ended December 31, 2022				
	Balance December 31 2021	Increases	Decreases	Balance December 31 2022
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 7,746,365	\$ -	\$ -	\$ 7,746,365
Right-of-way	22,437,418	-	-	22,437,418
Nondepreciable components of streets	13,312,573	-	-	13,312,573
Construction in progress	5,381,160	950,150	2,415,547	3,915,763
Total Capital Assets Not Being Depreciated	48,877,516	950,150	2,415,547	47,412,119
Capital assets being depreciated:				
Buildings	49,374,756	-	-	49,374,756
Other improvements	26,496,653	59,500	-	26,556,153
Machinery and equipment	5,603,304	242,421	-	5,845,725
Software	77,112	-	8,372	68,740
Automobiles and trucks	4,658,867	123,118	52,728	4,729,257
Infrastructure	113,038,284	3,017,367	-	116,055,651
Total Capital Assets Being Depreciated	199,248,976	3,442,406	61,100	202,630,282
Less - Accumulated depreciation for:				
Buildings	11,009,975	1,266,858	-	12,276,833
Other improvements	12,715,134	875,153	-	13,590,287
Machinery and equipment	4,132,676	269,092	-	4,401,768
Software	63,972	-	8,371	55,601
Automobiles and trucks	3,129,776	357,061	43,888	3,442,949
Infrastructure	63,934,348	3,252,344	-	67,186,692
Total Accumulated Depre- ciation	94,985,881	6,020,508	52,259	100,954,130
Total Capital Assets Being Depreciated, Net	104,263,095	(2,578,102)	8,841	101,676,152
Total Capital Assets, Net	\$ 153,140,611	\$ (1,627,952)	\$ 2,424,388	\$ 149,088,271

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended December 31, 2022

	Balance December 31 2021	Increases	Decreases	Balance December 31 2022
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 2,751,998	\$ -	\$ -	\$ 2,751,998
Construction in progress	-	631,848	-	631,848
Total Capital Assets Not Being Depreciated	2,751,998	631,848	-	3,383,846
Capital assets being depreciated:				
Buildings	64,754,125	-	-	64,754,125
Land improvements	5,945,003	-	-	5,945,003
Machinery and equipment	1,847,014	73,664	-	1,920,678
Total Capital Assets Being Depreciated	72,546,142	73,664	-	72,619,806
Less - Accumulated depreciation for:				
Buildings	5,889,983	2,556,282	-	8,446,265
Land improvements	535,459	237,800	-	773,259
Machinery and equipment	352,512	190,439	-	542,951
Total Accumulated Depre- ciation	6,777,954	2,984,521	-	9,762,475
Total Capital Assets Being Depreciated, Net	65,768,188	(2,910,857)	-	62,857,331
Total Capital Assets, Net	\$ 68,520,186	\$ (2,910,857)	\$ -	\$ 66,241,177

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

	For The Year Ended December 31 2022
Governmental Activities	
General administration	\$ 443,693
Finance and accounting	20,235
Community development	20,757
Public works	3,905,330
Police services	269,709
Parks and recreation	1,360,784
Total	\$ 6,020,508

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - INTERFUND BALANCES AND TRANSACTIONS

During the normal course of business, the City has numerous transaction between funds. The outstanding balance as of December 31, 2022 is to eliminate the negative cash position within the Tourism fund. The following is a reconciliation of internal receivables and payables:

		December 31, 2022	
		Receivable Fund	Payable Fund
General Fund		\$ 87,726	\$ -
Nonmajor funds		-	87,726
	Total	\$ 87,726	\$ 87,726

Individual interfund transactions are as follows:

		Transfers In		
		General Fund	Nonmajor Governmental Funds	Community Ice Center
				Total
Transfers out:				
General		\$ -	\$ 29,827	\$ 625,000
Special Park Fund		100,000	985,000	175,000
	Total	\$ 100,000	\$ 1,014,827	\$ 800,000
				\$ 1,914,827

Transfers were used to move amounts from the General Fund to the Police Forfeitures Fund for reimbursement of various expenses and to the Community Ice Center to provide for debt service commitments; to move amounts from the Special Park Fund to the General Fund to reimburse funds for certain park expenditures, to move amounts to the COPS Debt Service Fund for payment on the debt service for the Community Center, and to the Community Ice Center Fund for reimbursement of expenditures.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT

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

	For The Year Ended December 31, 2022			Amounts Due Within One Year
	Balance December 31 2021	Additions	Reductions	Balance December 31 2022
Governmental Activities				
Certificates of Participation Series 2015	\$ 11,215,000	\$ -	\$ 675,000	\$ 10,540,000
Tax Increment and Special District Revenue Bonds Series 2020	19,435,000	-	735,000	18,700,000
Certificates of Participation Premium	71,687	-	5,410	66,277
Tax Increment and Special District Revenue Bonds Discount	(92,468)	-	(6,980)	(85,488)
Compensated absences payable	1,497,172	857,264	643,073	1,711,363
Total	\$ 32,126,391	\$ 857,264	\$ 2,051,503	\$ 30,932,152

The certificates of participation are to be liquidated by the Community Center Debt Service. Compensated absences are generally liquidated by the General Fund, Special Park Fund, and Capital Improvement Fund.

	For The Year Ended December 31, 2022			Amounts Due Within One Year
	Balance December 31 2021	Additions	Reductions	Balance December 31 2022
Business-type Activities				
IDA Revenue Bonds:				
Series 2018A	\$ 48,805,000	\$ -	\$ 570,000	\$ 48,235,000
Series 2018B	5,400,000	-	65,000	5,335,000
Premiums - IDA Revenue Bonds	181,080	-	7,467	173,613
Total	\$ 54,386,080	\$ -	\$ 642,467	\$ 53,743,613

Certificates of Participation

In January 2015, the City issued certificates of participation, Series 2015 in the amount of \$15,000,000 maturing April 2035. The proceeds were used to construct a community center. The Series 2015 certificates of participation bear interest ranging from 2% to 3.15%.

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT (Continued)

In general, the terms of the debt include that if an event of default occurs, the trustee of the debt shall have the right to possession of the certain premises of the project for the remainder of the term of the debt and shall have the right to sublease the premises or sell its interest in the premises and in the base agreement. In addition, the terms of the debt have certain optional redemption provisions which allow the City to redeem the debt.

Annual debt service requirements are as follows:

For The Years Ending December 31	Principal	Interest	Total
2023	\$ 690,000	\$ 286,860	\$ 976,860
2024	705,000	271,856	976,856
2025	720,000	255,465	975,465
2026	740,000	237,755	977,755
2027	760,000	218,625	978,625
2028 - 2032	4,130,000	753,231	4,883,231
2033 - 2035	2,795,000	133,221	2,928,221
Total	<u>\$ 10,540,000</u>	<u>\$ 2,157,013</u>	<u>\$ 12,697,013</u>

Tax Increment and Special District Revenue Bonds

In September 2020, the City issued tax increment and special district revenue bonds, Series 2020, in the amount of \$20,355,000 at 3.625% - 4.125% payable through 2038. The bonds are secured by a security interest as provided by the agreement. In general, the terms of the bonds include that if an event of default occurs, an acceleration of the maturity of principal may occur. In addition, the terms of the debt have certain optional redemption provisions which allow the City to redeem the debt.

The tax increment and special district revenue bonds are special, limited obligations of the City, payable solely from the trust estate as defined by the indenture. The bonds do not constitute a general obligation of the City and do not constitute a general obligation of the City, the applicable district's, the State, or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation. Neither the full faith and credit nor the taxing powers of the City, the State, or any political subdivision thereof is pledged to the payment of the bonds.

The City has pledged a portion of future revenues to repay the bonds. This debt is payable solely from the incremental revenue generated by increased retail sales and other revenues in the redevelopment area. For the current year \$1,491,016 of principal and interest was paid on this debt and total incremental tax revenues were \$1,952,263.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - LONG-TERM DEBT (Continued)

IDA Revenue Bonds

In August 2018, the IDA issued revenue bonds, Series 2018A in the amount of \$50,150,000 maturing March 2049 and Series 2018B in the amount of \$5,400,000 maturing March 2046. The proceeds were used to construct the St. Louis Community Ice Center. The Series 2018A bonds bear interest ranging from 4.375% to 5% and the Series 2018B bonds bear interest of 5.25%.

The bonds are limited obligations payable per the bonds financing agreement and are secured by a security interest as provided by the agreement. In general, the terms of the bonds include that if an event of default occurs, an acceleration of the maturity of principal may occur, or the trustee of the bonds may take possession of certain property. In addition, the terms of the debt have certain optional redemption provisions which allow the City to redeem the debt.

Among the requirements under the financing agreement, the City has agreed to transfer to the bond trustee, subject to annual appropriation by the City Council, an amount sufficient to replenish any draw on the series 2018A reserve account, but not to exceed \$625,000 per year. In addition, the debt service reserve requirements was \$3,532,900 however the total balance at December 31, 2022 amounted to \$3,051,991.

The City has pledged a portion of future revenues in accordance with the debt agreement to repay the bonds. For the current year \$3,424,994 of principal and interest was paid on this debt and total revenues were \$12,895,707.

Annual debt service requirements are as follows:

For The Years Ending December 31	Principal	Interest	Total
2023	\$ 710,000	\$ 2,627,741	\$ 3,337,741
2024	820,000	2,593,616	3,413,616
2025	925,000	2,554,634	3,479,634
2026	1,045,000	2,510,556	3,555,556
2027	1,165,000	2,461,032	3,626,032
2028-2032	6,945,000	11,398,381	18,343,381
2033-2037	8,560,000	9,504,619	18,064,619
2038-2042	10,945,000	7,063,281	18,008,281
2043-2047	13,580,000	3,951,125	17,531,125
2048-2049	8,875,000	525,375	9,400,375
Total	<u>\$ 53,570,000</u>	<u>\$ 45,190,360</u>	<u>\$ 98,760,360</u>

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE F - LESSOR DISCLOSURES

For the year ended December 31 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases* which principally impacted the City's business-type activities for the Ice Center. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. The statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosure below.

The following is a summary of changes in the City's business-type activity for leases receivable for the year ended December 31, 2022:

Business-Type Activities	Implementation Amount	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022
St. Louis Blues Alumni Asso.	\$ 576,712	\$ 576,712	\$ -	\$ 6,848	\$ 569,864
St. Louis Blues Hockey Club	11,696,177	11,696,177	-	150,114	11,546,063
TPH St. Louis LLC	579,610	579,610	-	74,847	504,763
AAA Blues	3,645,440	3,645,440	-	401,922	3,243,518
Hubbard Radio St. Louis	20,427	20,427	-	10,507	9,920
Lady Cyclones	4,569,322	4,569,322	-	299,588	4,269,734
Lindenwood University	2,118,024	2,118,024	-	237,766	1,880,258
Mercy Health	1,770,873	1,770,873	-	209,713	1,561,160
TSG Enterprises, LLC	347,957	347,957	-	64,848	283,109
Elite Hockey Facility MO, LLC	36,657	36,657	-	26,802	9,855
HSL Sports, LLC	443,584	443,584	-	7,919	435,665
Total	\$ 25,804,783	\$ 25,804,783	\$ -	\$ 1,490,874	\$ 24,313,909

The City entered into the following lease agreements to lease premises of the St. Louis Ice Center (the "Facility") on City property for the use of all rinks in the facility, locker room, laundry area, storage area, lounge/bar, meeting places and such other uses and purposes as are necessary thereto.

A lease agreement was entered into with the St. Louis Blues Alumni Association beginning September 1, 2019 to lease the Facility. The St. Louis Blues Alumni Association was required to make monthly payments of \$1,751 in fiscal year 2022. The payments are monthly installments through August 2049. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$20,844 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$555,868, as of December 31, 2022.

A lease agreement was entered into with the St. Louis Blues Hockey Club beginning September 1, 2019 to lease the Facility. The St. Louis Blues Hockey Club was required to make 7 and 5 monthly payments of \$32,801 and \$33,621, respectively, in fiscal year 2022. The payments are monthly installments through August 2049. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$422,748 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$11,273,429, as of December 31, 2022.

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE F - LESSOR DISCLOSURES (Continued)

A lease agreement was entered into with TPH, LLC beginning February 10, 2020 to lease the Facility. TPH, LLC was required to make 9 and 3 monthly payments of \$6,295 and \$9,559, respectively, in fiscal year 2022. The payments are monthly installments through August 2027. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$99,360 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$480,250, as of December 31, 2022.

A lease agreement was entered into with the AAA Blues beginning August 1, 2019 to lease the Facility. The AAA Blues were required to make 8 and 4 monthly payments of \$40,378 and \$41,370, respectively, in fiscal year 2022. The payments are monthly installments through July 2029. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$480,720 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$3,164,720 as of December 31, 2022.

A lease agreement was entered into with the Hubbard Radio St. Louis beginning November 8, 2019 to lease the Facility. Hubbard Radio St. Louis was required to make monthly payments of \$908 in fiscal year 2022. The payments are monthly installments through November 2023. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$11,148 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$9,279 as of December 31, 2022.

A lease agreement was entered into with the Lady Cyclones beginning July 8, 2018 to lease the Facility. The Lady Cyclones were required to make 8 and 4 monthly payments of \$20,692 and \$21,209, respectively, in fiscal year 2022. The payments are monthly installments through August 2034. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$360,732 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$4,208,590 as of December 31, 2022.

A lease agreement was entered into with Lindenwood University beginning July 24, 2018 to lease the Facility. Lindenwood University was required to make 8 and 4 monthly payments of \$23,843 and \$24,319, respectively, in fiscal year 2022. The payments are monthly installments through July 2029. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$279,300 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$1,838,724 as of December 31, 2022.

A lease agreement was entered into with Mercy Health beginning July 24, 2018 to lease the Facility. Mercy Health was required to make 12 monthly payments of \$20,966, respectively, in fiscal year 2022. The payments are monthly installments through September 2029. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$228,504 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$1,551,810 as of December 31, 2022.

A lease agreement was entered into with TSG Enterprises, LLC beginning May 6, 2019 to lease the Facility. TSG Enterprises, LLC was required to make 9 and 3 monthly payments of \$5,955 and \$6,409, respectively, in fiscal year 2022. The payments are monthly installments through September 2026. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$73,260 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$247,697 as of December 31, 2022.

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE F - LESSOR DISCLOSURES (Continued)

A lease agreement was entered into with Elite Hockey Facility MO, LLC beginning August 28, 2019 to lease the Facility. Elite Hockey Facility MO, LLC was required to make 8 and 4 monthly payments of \$2,251 and \$2,349, respectively, in fiscal year 2022. The payments are monthly installments through April 2023. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$27,108 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$9,549 as of December 31, 2022.

A lease agreement was entered into with HSL Sports beginning June 2019 to lease soccer fields. HSL Sports required to make 2 semi-annual payments of \$15,000 in fiscal year 2022. The payments are monthly installments through July 2039. The lease has an interest rate of 2.5%. During the fiscal year, the City recognized a \$24,644 reduction in the related deferred inflow of resource. The remaining lease deferred inflow of resource for this agreement is \$418,940, as of December 31, 2022.

NOTE G - PENSION PLAN

Plan Description

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

Benefits Provided

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

	<u>2022 Valuation</u>
Benefit multiplier	2%
Final average salary	5 years
Member contributions	Noncontributory for employees

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 MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

Employees Covered By Benefit Terms

At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	99
Inactive employees entitled to but not yet receiving benefits	56
Active employees	<u>172</u>
Total	<u>327</u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 12.4% (General) and 14.0% (Police) of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2022. The pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing procedures incorporating the actuarial assumptions.

Actuarial Assumptions

The total pension liability in the February 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75% wage inflation; 2.25% price inflation
Salary increase	2.75% to 6.55% including wage inflation
Investment rate of return	7.00%, net of investment expenses

The healthy retiree mortality tables for post-retirement mortality were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables for post-retirement mortality, used in evaluating allowances to be paid, were the 115% of the PubNS-2010 disabled mortality table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

The actuarial assumptions used in the February 28, 2022 valuation were based on the results of an actuarial experience study for the period of March 1, 2015 through February 28, 2020.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>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)	(0.29)

Discount Rate

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rate for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2021	<u>\$ 54,504,874</u>	<u>\$ 66,975,570</u>	<u>\$ (12,470,696)</u>
Changes for the year			
Service cost	1,655,264	-	1,655,264
Interest	3,803,669	-	3,803,669
Difference between expected and actual experience	292,277	-	292,277
Assumption changes	-	-	-
Contributions - employer	-	1,775,481	(1,775,481)
Contributions - employee	-	188,836	(188,836)
Net investment income	-	49,523	(49,523)
Benefit payments, including refunds	(1,994,506)	(1,994,506)	-
Administrative expense	-	(35,473)	35,473
Other changes	-	2,251,140	(2,251,140)
Net Changes	<u>3,756,704</u>	<u>2,235,001</u>	<u>1,521,703</u>
Balances at June 30, 2022	<u><u>\$ 58,261,578</u></u>	<u><u>\$ 69,210,571</u></u>	<u><u>\$ (10,948,993)</u></u>

The funding status of the Plan at June 30, 2022 was 118.79%. The discount rate was 7.00% during the year ended December 31, 2022.

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

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability (asset) would be using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) than the current rate.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net pension liability (asset)	<u><u>\$ (2,460,177)</u></u>	<u><u>\$ (10,948,993)</u></u>	<u><u>\$ (17,951,544)</u></u>

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

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

For the year ended December 31, 2022, the City recognized pension expense of (\$2,491,906). Reported deferred outflows and inflows of resources are related to pensions from the following sources:

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Differences in experience	\$ 1,813,946	\$ (450,594)	\$ 1,363,352
Assumption changes	170,595	(516,268)	(345,673)
Net difference between projected and actual earnings	-	(1,504,807)	(1,504,807)
Contributions subsequent to the measurement date*	856,950	-	856,950
Total	<u>\$ 2,841,491</u>	<u>\$ (2,471,669)</u>	<u>\$ 369,822</u>

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

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

<u>For The Plan Years Ending June 30</u>	
2023	\$ (400,289)
2024	(394,887)
2025	(1,036,668)
2026	1,159,802
2027	170,081
Thereafter	14,833
Total	<u>\$ (487,128)</u>

NOTE H - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City's OPEB plan (the Plan) provides OPEB for all eligible employees of the City. The Plan is a single-employer defined benefit OPEB plan administered by the City and established by City Ordinance. The assets of the Plan are accumulated in the Other Post-Employment Benefit Trust Fund. The Plan does not issue a stand-alone report.

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE H - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Benefits Provided

The Plan provides post-retirement healthcare benefits to eligible regular full-time employees. The Plan provides medical and prescription benefits to eligible employees and their spouses. The premium for the retiree will be determined at the age of retirement and employees will pay a portion of the premium on a sliding scale depending on age and years of service. The City's share of premium ranges from 50% - 80% based on the retiree's age at retirement.

Employees Covered by Benefit Terms

At December 31, 2022, the following employees were covered by the benefit terms:

Retired employees or beneficiaries	17
Active employees - not fully eligible	160
Active employees - fully eligible	<u>22</u>
Total	<u>199</u>

Contributions

City is required to pay 100% of the cost of basic health insurance for retirees and their dependents for their lifetime. The City must contribute the amount OPEB member payments necessary to fund the actuarial liability for OPEB. For the year ended December 31, 2022, the City made no contributions as the plan was fully funded.

Long-Term Expected Rate of Return

The long-term expected rate of return on post-employment benefit plan investments was determined using a model method in which 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 expected rate of return is 100% of the rate applied. The plan does not use a municipal bond rate.

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2022 and was determined by an actuarial valuation date as of that date. The plan fiduciary net position as a percentage of total OPEB liability amounted to 130.87% at December 31, 2022.

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE H - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.5%
Salary increase	3% including inflation
Discount rate	5.99%
Healthcare cost trend rates	7.0% for 2022, decreasing to an ultimate rate of 4.0% for 2023 and later years

The discount rate was based on the City's assets and calculation of actuarially determined contribution as of December 31, 2022. The salary increase assumption was remained at 3.00%.

The mortality assumption used was the Pub-2010 mortality table with generational scale MP-2019.

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at January 1, 2022	\$ 2,217,210	\$ 5,313,505	\$ (3,096,295)
Changes for the year			
Service cost	99,996	-	99,996
Interest cost	206,978	-	206,978
Difference between expected and actual	77,618	-	77,618
Change in assumptions or other inputs	818,297	-	818,297
Net investment income	-	(867,342)	867,342
Benefit payments, including refunds	(104,122)	(104,122)	-
Administrative expense	-	(2,294)	2,294
Net Changes	<u>1,098,767</u>	<u>(973,758)</u>	<u>2,072,525</u>
Balances at December 31, 2022	<u>\$ 3,315,977</u>	<u>\$ 4,339,747</u>	<u>\$ (1,023,770)</u>

Changes of assumptions and other inputs reflect a change in the mortality rates and discount rate.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the City, calculated using the discount rate of 5.99%, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% point lower (4.99%) or 1% point higher (6.99%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	<u>\$ (768,000)</u>	<u>(1,024,000)</u>	<u>(1,255,000)</u>

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE H - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the City, calculated using the healthcare cost trend rates of 7.0% decreasing to 4.0%, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% point lower (8.0% decreasing to 5.0%) or 1% point higher (6.0% decreasing to 3.0%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	<u>\$ (1,322,000)</u>	<u>(1,024,000)</u>	<u>(679,000)</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the City recognized OPEB expense of \$(89,552). Deferred outflows and inflows of resources related to OPEB are from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>	<u>Net</u>
Difference between expected and actual experience	\$ 73,153	\$ (400,476)	\$ (327,323)
Changes of assumptions or other inputs	771,227	(733,730)	37,497
Net difference between projected and actual investments	<u>945,947</u>	<u>(347,471)</u>	<u>598,476</u>
Total	<u>\$ 1,790,327</u>	<u>\$ (1,481,677)</u>	<u>\$ 308,650</u>

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

For The Years Ending December 31

2023	\$ 8,896
2024	105,393
2025	159,145
2026	206,968
2027	(29,518)
Thereafter	<u>(142,234)</u>
Total	<u>\$ 308,650</u>

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE I - OTHER EMPLOYEE BENEFIT PLANS

During 2005, the City established a Retirement Health Savings Plan (RHS) administered by the ICMA-RC. The program is a voluntary savings program that provides employees the opportunity to make irrevocable decisions on the contribution of future wages to the plan. Contributions and investment income are tax-deferred and, when withdrawals are used for eligible health-related expenses during retirement, no federal or state income taxes are incurred. No contributions were made in 2022.

NOTE J - RISK MANAGEMENT

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

The City is a member of the St. Louis Area Insurance Trust (SLAIT), which is a not-for-profit, self-insurance risk pool formed by various St. Louis County municipalities to cover workers' compensation and general liability matters. The purpose of SLAIT is to distribute the cost of self-insurance over similar entities. In addition to insurance protection, the program provides risk management services with emphasis in loss control, claims administration, and management information services. SLAIT is fully funded by its member participants and employs an outside service company to process all claims. Beginning July 1, 2009, the City began participating in SLAIT's health insurance program.

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

The City also purchases commercial insurance to cover risks related to building and other City property, earthquake, public official liability, and employee blanket bonds. Settled claims from these risks have not exceeded coverage in any of the past three years.

NOTE K - TAX ABATEMENT AGREEMENTS

GASB 77 requires disclosure of tax abatements, i.e., reductions in tax revenues due to an agreement between one or more governments and an entity in which one or more governments promise to forego taxes they were otherwise entitled to collect.

The City has established two Tax Increment Financing (TIF) Districts pursuant to Missouri Statutes. TIFs allow for the redevelopment of the areas and use incremental tax revenues to provide for eligible expenditures related to the project. The City levies no property tax; therefore, the only City revenues that fund the TIFs are equal to 50% of incremental city-imposed sales tax generated in the redevelopment districts.

The amounts related to this tax were for associated debt and therefore not an abatement by the City or had no applicable abatements.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE L - CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT

For the fiscal year ended December 31, 2022, the City implemented GASB Statement No. 87, *Leases*. With the implementation, the City is required to record the beginning net position of lease receivable and lease deferred inflow.

The beginning net position has been restated to reflect the new guidance as follows for the Community Ice Center fund:

	<u>Business-type Activities</u>
Beginning net position, as previously reported	<u>\$ 17,543,682</u>
Leases receivable	25,804,783
Lease deferred inflows	<u>(25,804,783)</u>
Total Net Restatement	<u>-</u>
Beginning Net Position, As Restated	<u><u>\$ 17,543,682</u></u>

NOTE M - CONDUIT DEBT OBLIGATIONS

The City issued industrial revenue bonds from 2020 through 2022 to provide financial assistance to several companies within the City for the purpose of acquiring and equipping facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely out of the rents, revenues and receipts derived by the City from the project and the related lease. Upon repayment of these bonds, ownership of the related assets transfers to the company served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. The bonds are structured to pay the principal balance at maturity. As of December 31, 2022, the total authorized amounts are \$591,000,000 and the total amounts outstanding were \$57,836,139.

NOTE N - COMMITMENTS AND CONTINGENCIES

The City may be subject to claims and legal proceedings covering various matters that arise in the ordinary course of its activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the City.

There is an operating agreement with a company, dated March 1, 2019 which provides for the operation and maintenance services the Community Ice Center. For the year ended December 31, 2022, the amount of expense for this agreement was \$149,419. In addition, the terms of the agreement contain termination clauses that may require either party to pay amounts to be calculated in accordance with the agreement.

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE O - DEFICIT BALANCES

At December 31, 2022, the Tourism Tax Fund's accumulated deficit of \$14,970 is the result of revenues which exceeded expenditures in 2022 which were insufficient to overcome prior year deficit balance. The accumulated deficit will be offset by future revenues and transfers received by the fund.

NOTE P - SUBSEQUENT EVENTS

In May 2023, the City approved a contract for the construction of the Dogport project in the amount of \$733,308.

In November 2023, the City approved a contract to repair and improve Adie Road in the amount of \$1,870,772.

From January 1, 2023 through March 26, 2024, the City authorized industrial revenue bonds not to exceed \$948,000,000 for purpose of providing funds to pay the costs of constructing facilities for various industrial development projects.

NOTE Q - FUTURE ACCOUNTING PRONOUNCEMENT

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. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for the year ending December 31, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). This Statement: 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset--an intangible asset--and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and 4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the year ending December 31, 2023.
- GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to: (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology ar-

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE Q - FUTURE ACCOUNTING PRONOUNCEMENT (Continued)

rangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is the fiscal year ending December 31, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is the fiscal year ending December 31, 2024.

- GASB Statement No. 100, *Accounting Changes and Error Corrections--an amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that: (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ended December 31, 2024
- GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for: (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if: (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences--including parental leave, military leave, and jury duty leave--not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE Q - FUTURE ACCOUNTING PRONOUNCEMENT (Continued)

financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ended December 31, 2024.

- GASB Statement No. 102, *Certain Risk Disclosures*, establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This Statement is effective for the fiscal year ending December 31, 2025.

Management has not yet determined the effect, if any, these Statements will have in the City's future financial statements.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Municipal Taxes				
Gaming	\$ 6,300,000	\$ 6,300,000	\$ 6,043,547	\$ (256,453)
Utilities gross receipts	4,600,000	4,600,000	5,037,059	437,059
Sales tax	4,500,000	4,500,000	5,415,706	915,706
Sales tax - public safety	1,450,000	1,450,000	1,730,637	280,637
Cigarette	50,000	50,000	45,531	(4,469)
Gasoline and motor vehicle tax	1,210,000	1,210,000	1,319,093	109,093
County road refund	1,000,000	1,000,000	1,136,078	136,078
Total Municipal Taxes	19,110,000	19,110,000	20,727,651	1,617,651
Licenses, Permits, Fines, and Fees				
Court fines and fees	750,000	750,000	765,305	15,305
Merchant licenses	600,000	600,000	601,622	1,622
Charges for services	1,065,000	1,065,000	1,950,144	885,144
Cable TV franchise	300,000	300,000	231,641	(68,359)
Total Licenses, Permits, Fines, And Fees	2,715,000	2,715,000	3,548,712	833,712
Intergovernmental	357,534	357,534	2,160,874	1,803,340
Investment Income	255,000	255,000	428,679	173,679
Other				
Miscellaneous	172,330	172,330	26,000	(146,330)
Total Revenues	22,609,864	22,609,864	26,891,916	4,282,052
EXPENDITURES				
Legislative				
Mayor's office	45,525	45,525	35,751	(9,774)
City council	136,069	136,069	128,087	(7,982)
Total Legislative	181,594	181,594	163,838	(17,756)
General Administration				
City clerk	431,193	431,193	434,506	3,313
Legal services	343,775	343,775	368,870	25,095
City administrator's office	249,191	249,191	240,004	(9,187)
Human resources	366,459	366,459	355,575	(10,884)

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
General Administration (Continued)				
Communications	267,010	267,010	251,640	(15,370)
Central services	91,675	91,675	83,107	(8,568)
Risk management	530,000	530,000	442,381	(87,619)
Total General Administration	2,279,303	2,279,303	2,176,083	(103,220)
Finance and Accounting				
Finance	632,805	632,805	486,195	(146,610)
Geographic information services	-	-	1,084	1,084
Information technology	1,195,426	1,195,426	938,451	(256,975)
Total Finance And Accounting	1,828,231	1,828,231	1,425,730	(402,501)
Community Development				
Community development administration	340,727	340,727	338,428	(2,299)
Inspections	1,518,450	1,518,450	1,471,452	(46,998)
Economic development	291,290	291,290	250,125	(41,165)
Total Community Development	2,150,467	2,150,467	2,060,005	(90,462)
Public Works				
Administration and engineering	392,511	392,511	257,755	(134,756)
Roads and bridges	2,040,816	2,040,816	1,996,322	(44,494)
Trash hauling	1,817,162	1,817,162	1,809,505	(7,657)
Vehicle and equipment maintenance	554,558	554,558	655,785	101,227
Storm water	623,003	623,003	616,155	(6,848)
Total Public Works	5,428,050	5,428,050	5,335,522	(92,528)
Police Services				
Police administration	432,448	432,448	413,283	(19,165)
Patrol	6,089,769	6,089,769	5,935,138	(154,631)
Investigations	2,717,766	2,717,766	2,515,701	(202,065)
Communications	1,279,083	1,279,083	1,267,161	(11,922)
Community services	1,358,355	1,358,355	1,314,688	(43,667)
Community response unit	-	-	3,370	3,370
Police records	210,171	210,171	172,286	(37,885)
Total Police Services	12,087,592	12,087,592	11,621,627	(465,965)

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
Judicial				
Municipal court	<u>363,614</u>	<u>363,614</u>	<u>365,523</u>	<u>1,909</u>
Parks and Recreation				
Government center maintenance	<u>566,421</u>	<u>566,421</u>	<u>542,083</u>	<u>(24,338)</u>
Human Services	<u>225,000</u>	<u>225,000</u>	<u>172,512</u>	<u>(52,488)</u>
Total Expenditures	<u>25,110,272</u>	<u>25,110,272</u>	<u>23,862,923</u>	<u>(1,247,349)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(2,500,408)</u>	<u>(2,500,408)</u>	<u>3,028,993</u>	<u>5,529,401</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,377,162	3,377,162	100,000	(3,277,162)
Transfer out	(625,000)	(654,827)	(654,827)	-
Insurance recoveries	<u>-</u>	<u>-</u>	<u>108,403</u>	<u>108,403</u>
Total Other Financing Sources	<u>2,752,162</u>	<u>2,722,335</u>	<u>(446,424)</u>	<u>(3,168,759)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 251,754</u></u>	<u><u>\$ 221,927</u></u>	<u>2,582,569</u>	<u><u>\$ 2,360,642</u></u>
FUND BALANCE, JANUARY 1			<u>27,326,183</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$ 29,908,752</u></u>	

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL PARK FUND - BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Municipal taxes:				
Sales	\$ 4,500,000	\$ 4,500,000	\$ 5,538,330	\$ 1,038,330
Intergovernmental	525,000	525,000	525,000	-
Charges for services	1,792,400	1,792,400	1,775,748	(16,652)
Other	1,100,000	1,100,000	3,304	(1,096,696)
Total Revenues	<u>7,917,400</u>	<u>7,917,400</u>	<u>7,842,382</u>	<u>(75,018)</u>
EXPENDITURES				
Parks and Recreation				
Park administration	164,471	164,471	124,676	(39,795)
Recreation	2,589,994	2,589,994	2,052,970	(537,024)
Community Center maintenance	1,025,606	1,025,606	933,618	(91,988)
Aquaport	752,883	752,883	463,008	(289,875)
Park maintenance	861,077	861,077	856,254	(4,823)
Park capital project	1,585,400	2,009,000	513,106	(1,495,894)
Total Expenditures	<u>6,979,431</u>	<u>7,403,031</u>	<u>4,943,632</u>	<u>(2,459,399)</u>
REVENUES OVER EXPENDITURES	<u>937,969</u>	<u>514,369</u>	<u>2,898,750</u>	<u>2,384,381</u>
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	309,126	309,126
Transfers out	(1,260,000)	(1,260,000)	(1,260,000)	-
Total Other Sources (Uses)	<u>(1,260,000)</u>	<u>(1,260,000)</u>	<u>(950,874)</u>	<u>309,126</u>
NET CHANGE IN FUND BALANCE	<u>\$ (322,031)</u>	<u>\$ (745,631)</u>	<u>1,947,876</u>	<u>\$ 2,693,507</u>
FUND BALANCE, JANUARY 1			<u>2,824,666</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 4,772,542</u>	

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY BASIS OF ACCOUNTING
FOR THE YEAR ENDED DECEMBER 31, 2022

The budget is prepared on the modified accrual basis, except that encumbrances are reflected as expenditures for budget purposes and General Fund investments are carried at cost. Adjustments necessary to convert the results of operations and fund balances at the end of the year on the modified accrual basis (accounting principles generally accepted in the United States of America (GAAP) basis) to the budget are as follows:

		Governmental Fund Types	
		General	Special Park
Fund balances:			
GAAP basis		\$ 28,311,058	\$ 4,785,942
Encumbrances outstanding at:			
December 31, 2022		(90,804)	(13,400)
Investments, FMV adjustment		1,688,498	-
	Budget Basis	<u>\$ 29,908,752</u>	<u>\$ 4,772,542</u>
Net change in fund balances:			
GAAP basis		\$ 1,140,140	\$ 1,886,342
Encumbrances outstanding at:			
December 31, 2021		149,105	74,934
December 31, 2022		(90,804)	(13,400)
Investment, FMV adjustment		1,384,128	-
	Budget Basis	<u>\$ 2,582,569</u>	<u>\$ 1,947,876</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2022

EXPLANATION OF BUDGETARY PROCESS

City ordinances require a legally adopted annual budget be prepared for the General Fund, all Special Revenue Funds, the Debt Service Fund, and all Capital Projects Funds. The City Administrator compiles a budget of estimated revenues and expenditures for the City and submits the budget to the City Council prior to January 1 each year. Copies of the proposed budget are made available for public inspection in the office of the City Clerk for at least 10 days prior to passage of the budget. At least one public hearing is held on the budget by the City Council. Notice of the hearing is given by publication in a newspaper with general circulation in the City.

The legal level of budgetary control for the General Fund's original adopted annual budget is defined as the budgeted appropriation amount at the program level of expenditures within a department (e.g., finance and accounting) of the General Fund.

Subsequent transfers within the General Fund budget may be made as follows:

- With the approval of the Finance Director and the City Administrator, department heads may transfer amounts up to \$12,000 between programs within a department of the General Fund.
- City Council approval is required for all other transfer amounts.

The legal level of budgetary control for the original adopted annual budget of all other funds is defined as the budgeted appropriation amount at the program level within a fund.

The budget in the following funds were exceeded by the amounts indicated Streetlight (\$7,635) and Tourism Tax (\$16,050).

Subsequent transfers within these funds' budgets may be made as follows:

- With approval of the Finance Director and the City Administrator, department heads may transfer amounts up to \$12,000 between programs within a department.
- City Council approval is required for all other transfer amounts.

Unencumbered appropriations lapse at year-end. Supplemental appropriations can be made with the majority vote of the City Council.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability								
Service cost	\$ 1,655,264	\$ 1,607,042	\$ 1,535,913	\$ 1,511,236	\$ 1,465,806	\$ 1,494,988	\$ 1,456,520	\$ 1,483,439
Interest on total pension liability	3,803,669	3,704,884	3,368,489	3,083,384	2,819,289	2,617,949	2,273,295	2,138,745
Difference between expected and actual experience	292,277	290,200	1,106,533	542,581	312,342	(483,015)	19,656	(1,325,737)
Assumption changes	-	(674,355)	-	-	-	(508,187)	2,020,765	-
Benefit payments, including refunds	<u>(1,994,506)</u>	<u>(1,445,286)</u>	<u>(1,367,936)</u>	<u>(1,070,948)</u>	<u>(886,417)</u>	<u>(697,630)</u>	<u>(456,978)</u>	<u>(398,782)</u>
Net Change In Total Pension Liability	3,756,704	3,482,485	4,642,999	4,066,253	3,711,020	2,424,105	5,313,258	1,897,665
Total Pension Liability Beginning	<u>54,504,874</u>	<u>51,022,389</u>	<u>46,379,390</u>	<u>42,313,137</u>	<u>38,602,117</u>	<u>36,178,012</u>	<u>30,864,754</u>	<u>28,967,089</u>
Total Pension Liability Ending (a)	<u>\$ 58,261,578</u>	<u>\$ 54,504,874</u>	<u>\$ 51,022,389</u>	<u>\$ 46,379,390</u>	<u>\$ 42,313,137</u>	<u>\$ 38,602,117</u>	<u>\$ 36,178,012</u>	<u>\$ 30,864,754</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 1,775,481	\$ 1,794,173	\$ 1,729,164	\$ 1,968,591	\$ 1,712,322	\$ 1,700,243	\$ 1,698,491	\$ 1,766,469
Contributions - employee	188,836	-	207,224	-	73,516	-	-	-
Net investment income	49,523	14,562,462	645,973	3,075,913	4,818,840	4,103,673	(115,726)	580,792
Benefit payments, including refunds	(1,994,506)	(1,445,286)	(1,367,936)	(1,070,948)	(886,417)	(697,630)	(456,978)	(398,782)
Administrative expense	(35,473)	(31,450)	(39,811)	(34,548)	(23,311)	(22,002)	(21,209)	(22,744)
Other changes	<u>2,251,140</u>	<u>1,046,381</u>	<u>1,174,528</u>	<u>876,683</u>	<u>(58,596)</u>	<u>476,721</u>	<u>(23,276)</u>	<u>1,050,917</u>
Net Change In Plan Fiduciary Net Position	2,235,001	15,926,280	2,349,142	4,815,691	5,636,354	5,561,005	1,081,302	2,976,652
Plan Fiduciary Net Position Beginning	<u>66,975,570</u>	<u>51,049,290</u>	<u>48,700,148</u>	<u>43,884,457</u>	<u>38,248,103</u>	<u>32,687,098</u>	<u>31,605,796</u>	<u>28,629,144</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 69,210,571</u>	<u>\$ 66,975,570</u>	<u>\$ 51,049,290</u>	<u>\$ 48,700,148</u>	<u>\$ 43,884,457</u>	<u>\$ 38,248,103</u>	<u>\$ 32,687,098</u>	<u>\$ 31,605,796</u>
Net Pension Liability (Asset) Ending (a)-(b)	<u>\$ (10,948,993)</u>	<u>\$ (12,470,696)</u>	<u>\$ (26,901)</u>	<u>\$ (2,320,758)</u>	<u>\$ (1,571,320)</u>	<u>\$ 354,014</u>	<u>\$ 3,490,914</u>	<u>\$ (741,042)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	118.79 %	122.88	100.05	105.00	103.71	99.08	90.35	102.40
Covered Payroll (for February 28/29 Valuation)	\$ 12,281,956	13,701,470	13,431,342	13,183,394	12,978,819	12,495,862	12,799,784	12,721,041
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(89.15) %	(91.02)	(0.20)	(17.60)	(12.11)	2.83	27.27	(5.83)

Notes:

Information is not available for fiscal years prior to 2015.

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

Changes of assumptions:

During the year ended December 31, 2021, assumption changes include a decrease in the discount rate from 7.25% to 7.0%; a reduction in wage inflation of 3.25% and price inflation of 2.5% to 2.75% and 2.25% respectively; salary increases from 3.25 - 6.55, to 1.75 - 6.75%; and investment rate of return from 7.25% to 7.0%, respectively.

During the year ended December 31, 2016, new assumptions were adopted based on the 5-year experience study including change of wage inflation and price inflation to 3.25% and 2.5% from 3.5% and 3.0% respectively; and change in salary increases to 3.25% to 6.55% from 3.5% to 6.8%, respectively.

CITY OF MARYLAND HEIGHTS
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

	For The Years Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined pension contribution	\$ 1,677,065	\$ 1,789,930	\$ 1,762,338	\$ 1,714,348	\$ 1,743,003	\$ 1,695,481	\$ 1,608,641	\$ 1,827,726	\$ 1,789,847	\$ 1,763,421
Contributions in relation to the actuarially determined contribution	1,677,065	1,789,930	1,762,338	1,714,348	1,743,004	1,695,481	1,608,642	1,827,726	1,789,847	1,763,421
Contribution Deficiency	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ -	\$ (1)	\$ -	\$ -	\$ -
Covered Payroll	\$ 13,068,194	\$ 13,624,090	\$ 13,742,468	\$ 13,525,133	\$ 13,260,744	\$ 12,690,545	\$ 12,927,290	\$ 13,298,272	\$ 12,492,267	\$ 12,158,764
Contributions as a Percentage of Covered Payroll	12.83 %	13.14	12.82	12.68	13.14	13.36	12.44	13.74	14.33	14.50

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method

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

Remaining amortization period

Multiple bases from 15 to 17 years

Asset valuation method

5 years smoothed market; 20% corridor

Inflation

2.75% wage inflation; 2.25% price inflation

Salary increases

2.75% to 6.75%; including wage inflation

Investment rate of return

7.00%, 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, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General Groups and 75% of the PUBS-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups. Mortality rates for a Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES
IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 99,996	\$ 89,422	\$ 120,513	\$ 113,960	\$ 107,764
Interest on total OPEB liability	206,978	178,052	181,549	167,711	154,731
Differences between expected and actual experience	77,618	-	(430,719)	-	-
Changes in assumptions or other inputs	818,297	(515,780)	(341,784)	-	-
Benefit payments	<u>(104,122)</u>	<u>(43,596)</u>	<u>(114,605)</u>	<u>(53,206)</u>	<u>(39,975)</u>
Net Change In Total OPEB Liability	1,098,767	(291,902)	(585,046)	228,465	222,520
 Total OPEB Liability Beginning	 <u>2,217,210</u>	 <u>2,509,112</u>	 <u>3,094,158</u>	 <u>2,865,693</u>	 <u>2,643,173</u>
 Total OPEB Liability Ending (a)	 <u><u>\$ 3,315,977</u></u>	 <u><u>\$ 2,217,210</u></u>	 <u><u>\$ 2,509,112</u></u>	 <u><u>\$ 3,094,158</u></u>	 <u><u>\$ 2,865,693</u></u>
 Plan Fiduciary Net Position					
Net investment income	\$ (867,342)	\$ 674,539	\$ 614,049	\$ 685,275	\$ (213,316)
Benefit payments, including refunds	(104,122)	(43,596)	(114,605)	(53,206)	(39,971)
Administrative expenses	<u>(2,294)</u>	<u>(2,305)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Plan Fiduciary Net Position	(973,758)	628,638	499,444	632,069	(253,291)
 Plan Fiduciary Net Position Beginning	 <u>5,313,505</u>	 <u>4,684,867</u>	 <u>4,185,423</u>	 <u>3,553,354</u>	 <u>(3,806,645)</u>
 Plan Fiduciary Net Position Ending (b)	 <u><u>\$ 4,339,747</u></u>	 <u><u>\$ 5,313,505</u></u>	 <u><u>\$ 4,684,867</u></u>	 <u><u>\$ 4,185,423</u></u>	 <u><u>\$ 3,553,354</u></u>
 Net OPEB Liability (Asset) Ending (a)-(b)	 <u><u>\$ (1,023,770)</u></u>	 <u><u>\$ (3,096,295)</u></u>	 <u><u>\$ (2,175,755)</u></u>	 <u><u>\$ (1,091,265)</u></u>	 <u><u>\$ (687,661)</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	 130.87 %	 239.65	 186.71	 135.27	 124.00
 Covered Payroll	 \$ 13,648,081	 \$ 14,834,390	 14,402,320	 13,495,000	 13,039,071
 Net OPEB Liability (Asset) as a Percentage of Covered Payroll	 (7.50) %	 (20.87)	 (15.11)	 (8.09)	 (5.27)

Notes:

Information is not available for fiscal years prior to 2018.

Assumption changes for 2022 include:

- The discount rate was updated from 9.34% to 5.99%.

Assumption changes for 2021 include:

- The discount rate was updated from 6.91% to 9.34%.

Assumption changes for 2020 include:

- The discount rate was updated from 5.75% to 6.91%.
- The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2019.
- Salary increase assumption was decreased from 3.50% to 3.00%.

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
OPEB CONTRIBUTIONS AND INVESTMENT RETURNS
LAST FIVE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Schedule of OPEB Contributions					
Actuarially determined OPEB contributions	\$ 104,122	\$ 43,596	\$ 56,573	\$ 53,206	\$ 39,975
Contributions in relation to the actuarially determined contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution Deficiency (Excess)	<u><u>\$ 104,122</u></u>	<u><u>\$ 43,596</u></u>	<u><u>\$ 56,573</u></u>	<u><u>\$ 53,206</u></u>	<u><u>\$ 39,975</u></u>
 Covered Payroll	 \$ 13,648,081	 14,834,390	 14,402,320	 13,495,000	 13,039,071
 Contributions as a Percentage of Covered Payroll	 - %	 -	 -	 -	 -
 Annual Money-Weighted Rate of Return, Net of Investment Expenses	 (16.4) %	 14.3	 13.3	 19.3	 (5.6)

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI

OTHER SUPPLEMENTAL INFORMATION - NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Streetlight Fund -- This fund is used to account for the fund's share of utility gross receipts taxes that are to be used for the acquisition and maintenance of the City's street lighting.

Tourism Tax Fund -- This fund is used to account for the receipts of the City's hotel/motel tax that was approved by voters in 2001. These receipts are to be used to promote tourism.

Police Forfeitures Fund -- This fund is used to account for monies received or other assets forfeited to the City as a result of judgments in certain court cases. These resources will be used in connection with police programs.

Sewer Lateral Fund -- This fund was established in 2000 to account for the revenues generated by a fee charged to all eligible residential property taxpayers within the City, which is used to pay for the repair of certain damaged residential sewer lateral lines.

Police Training Fund -- This fund was established in 2002 to account for funding provided by the State of Missouri for the police training program.

Beautification Fund -- This fund was established in 2005 to account for the receipts of the billboard license's tax approved by voters in 2004. These receipts are to be used for certain beautification improvements to public right-of-way.

Westport Plaza TIF Fund -- This fund accounts for the payments in lieu of taxes and the incremental economic activity taxes received in the Westport Plaza TIF District as required by state statutes.

Dorsett TIF Fund -- This fund accounts for the payments in lieu of taxes and the incremental economic activity taxes received in the Dorsett Road TIF District as required by state statutes.

DEBT SERVICES FUNDS

Community Center Debt Service Fund -- This fund is used to accumulate resources to pay debt service requirements for the 2015 certificates of participation.

CAPITAL IMPROVEMENT FUNDS

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

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR FUNDS
DECEMBER 31, 2022

	Street- light	Tourism Tax	Police Forfeitures	Sewer Lateral	Police Training	Beautifi- cation
ASSETS						
Cash and investments	\$ 1,164,929	\$ -	\$ 122,033	\$ 1,114,485	\$ 3,774	\$ 55,866
Cash and investments - restricted	-	-	-	-	-	-
Accounts receivable:						
Municipal taxes	60,331	72,756	-	88,125	-	-
Total Assets	<u>\$ 1,225,260</u>	<u>\$ 72,756</u>	<u>\$ 122,033</u>	<u>\$ 1,202,610</u>	<u>\$ 3,774</u>	<u>\$ 55,866</u>
LIABILITIES						
Accounts payable	\$ 39,612	\$ -	\$ 4,970	\$ 20,764	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	87,726	-	-	-	-
Unearned revenue	1,292	-	-	-	-	-
Total Liabilities	<u>40,904</u>	<u>87,726</u>	<u>4,970</u>	<u>20,764</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Restricted for:						
Debt service	-	-	-	-	-	-
Police forfeitures	-	-	117,063	-	-	-
Sewer lateral	-	-	-	1,179,346	-	-
Police training	-	-	-	-	3,774	-
Beautification	-	-	-	-	-	55,866
Tax increment funds	-	-	-	-	-	-
Committed for:						
Streetlighting	1,184,356	-	-	-	-	-
Capital improvements	-	-	-	-	-	-
Unassigned (deficit)	-	(14,970)	-	-	-	-
Total Fund Balances	<u>1,184,356</u>	<u>(14,970)</u>	<u>117,063</u>	<u>1,179,346</u>	<u>3,774</u>	<u>55,866</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 1,225,260</u>	<u>\$ 72,756</u>	<u>\$ 122,033</u>	<u>\$ 1,202,610</u>	<u>\$ 3,774</u>	<u>\$ 55,866</u>

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR FUNDS (Continued)
DECEMBER 31, 2022

	Westport Plaza TIF	Dorsett TIF	Special Revenue Total	Capital Improvements	Community Center Debt Service	Total
ASSETS						
Cash and investments	\$ 3,489,938	\$ 398,695	\$ 6,349,720	\$ 4,049,566	\$ 40,454	\$ 10,439,740
Cash and investments - restricted	-	-	-	-	38	38
Accounts receivable:						
Municipal taxes	921,170	205,386	1,347,768	187,254	-	1,535,022
						-
Total Assets	<u>\$ 4,411,108</u>	<u>\$ 604,081</u>	<u>\$ 7,697,488</u>	<u>\$ 4,236,820</u>	<u>\$ 40,492</u>	<u>\$ 11,974,800</u>
LIABILITIES						
Accounts payable	\$ -	\$ 87,266	\$ 152,612	\$ 139,021	\$ -	\$ 291,633
Accrued payroll	-	-	-	7,052	-	7,052
Due to other funds	-	-	87,726	-	-	87,726
Unearned revenue	-	-	1,292	-	-	1,292
Total Liabilities	<u>-</u>	<u>87,266</u>	<u>241,630</u>	<u>146,073</u>	<u>-</u>	<u>387,703</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	<u>-</u>	<u>83,662</u>	<u>86,162</u>	<u>-</u>	<u>-</u>	<u>86,162</u>
FUND BALANCES						
Restricted for:						
Debt service	-	-	-	-	40,492	40,492
Police forfeitures	-	-	117,063	-	-	117,063
Sewer lateral	-	-	1,179,346	-	-	1,179,346
Police training	-	-	3,774	-	-	3,774
Beautification	-	-	55,866	-	-	55,866
Tax increment funds	4,411,108	433,153	4,844,261	-	-	4,844,261
Committed for:						
Streetlighting	-	-	1,184,356	-	-	1,184,356
Capital improvements	-	-	-	4,090,747	-	4,090,747
Unassigned	-	-	(14,970)	-	-	(14,970)
Total Fund Balances	<u>4,411,108</u>	<u>433,153</u>	<u>7,369,696</u>	<u>4,090,747</u>	<u>40,492</u>	<u>11,500,935</u>
 Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 4,411,108</u>	<u>\$ 604,081</u>	<u>\$ 7,697,488</u>	<u>\$ 4,236,820</u>	<u>\$ 40,492</u>	<u>\$ 11,974,800</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Street- light	Tourism Tax	Police Forfeitures	Sewer Lateral	Police Training	Beautifi- cation
REVENUES						
Municipal taxes	\$ 503,506	\$ 304,027	\$ -	\$ 368,309	\$ -	\$ 15,426
Intergovernmental	-	-	27,092	-	-	-
Gaming Taxes	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Total Revenues	<u>503,506</u>	<u>304,027</u>	<u>27,092</u>	<u>368,309</u>	<u>-</u>	<u>15,426</u>
EXPENDITURES						
Current:						
Community development	-	236,050	-	-	-	-
Public works	469,139	-	-	220,936	-	-
Police services	-	-	147,390	-	11,226	-
Parks and recreation	-	-	-	-	-	5,200
Capital outlay	2,996	-	49,911	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-
Total Expenditures	<u>472,135</u>	<u>236,050</u>	<u>197,301</u>	<u>220,936</u>	<u>11,226</u>	<u>5,200</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>31,371</u>	<u>67,977</u>	<u>(170,209)</u>	<u>147,373</u>	<u>(11,226)</u>	<u>10,226</u>
OTHER FINANCING SOURCES						
Transfers in	<u>-</u>	<u>-</u>	<u>29,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	31,371	67,977	(140,382)	147,373	(11,226)	10,226
FUND BALANCES, JANUARY 1	<u>1,152,985</u>	<u>(82,947)</u>	<u>257,445</u>	<u>1,031,973</u>	<u>15,000</u>	<u>45,640</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,184,356</u>	<u>\$ (14,970)</u>	<u>\$ 117,063</u>	<u>\$ 1,179,346</u>	<u>\$ 3,774</u>	<u>\$ 55,866</u>

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Westport Plaza TIF	Dorsett TIF	Special Revenue Total	Capital Improvements	Community Center Debt Service	Total
REVENUES						
Municipal taxes	\$ 1,952,263	\$ 250,588	\$ 3,394,119	\$ 2,590,092	\$ -	\$ 5,984,211
Intergovernmental	1,531,909	-	1,559,001	-	-	1,559,001
Investment income	18,009	-	18,009	-	42	18,051
Other	-	-	-	34	-	34
Total Revenues	<u>3,502,181</u>	<u>250,588</u>	<u>4,971,129</u>	<u>2,590,126</u>	<u>42</u>	<u>7,561,297</u>
EXPENDITURES						
Current:						
Community development	5,090	88,025	329,165	-	-	329,165
Public works	-	-	690,075	-	-	690,075
Police services	-	-	158,616	-	-	158,616
Parks and recreation	-	-	5,200	-	-	5,200
Capital outlay	-	-	52,907	2,324,821	-	2,377,728
Debt service:						
Principal	735,000	-	735,000	-	675,000	1,410,000
Interest	756,016	-	756,016	-	300,683	1,056,699
Trustee fees	-	-	-	-	2,279	2,279
Total Expenditures	<u>1,496,106</u>	<u>88,025</u>	<u>2,726,979</u>	<u>2,324,821</u>	<u>977,962</u>	<u>6,029,762</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,006,075</u>	<u>162,563</u>	<u>2,244,150</u>	<u>265,305</u>	<u>(977,920)</u>	<u>1,531,535</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	29,827	-	985,000	1,014,827
NET CHANGE IN FUND BALANCES	2,006,075	162,563	2,273,977	265,305	7,080	2,546,362
FUND BALANCES, JANUARY 1	<u>2,405,033</u>	<u>270,590</u>	<u>5,095,719</u>	<u>3,825,442</u>	<u>33,412</u>	<u>8,954,573</u>
FUND BALANCES, DECEMBER 31	<u>\$ 4,411,108</u>	<u>\$ 433,153</u>	<u>\$ 7,369,696</u>	<u>\$ 4,090,747</u>	<u>\$ 40,492</u>	<u>\$11,500,935</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Streetlight			Tourism Tax			Police Forfeitures		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	\$ 460,000	\$ 503,506	\$ 43,506	\$ 320,000	\$ 304,027	\$ (15,973)	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	40,000	27,092	(12,908)
Investment income	-	-	-	-	-	-	-	-	-
Total Revenues	460,000	503,506	43,506	320,000	304,027	(15,973)	40,000	27,092	(12,908)
EXPENDITURES									
Current:									
Community development:									
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	220,000	236,050	16,050	-	-	-
Public works:									
Streetlight	463,500	469,139	5,639	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	1,000	2,996	1,996	-	-	-	-	-	-
Police services	-	-	-	-	-	-	181,300	147,390	(33,910)
Parks and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	35,200	49,911	14,711
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	-
Trustee fees	-	-	-	-	-	-	-	-	-
Total Expenditures	464,500	472,135	7,635	220,000	236,050	16,050	216,500	197,301	(19,199)
REVENUES OVER (UNDER) EXPENDITURES	(4,500)	31,371	35,871	100,000	67,977	(32,023)	(176,500)	(170,209)	6,291
OTHER FINANCING SOURCES									
Transfers in	-	-	-	-	-	-	29,827	29,827	-
Total Other Financing Sources	-	-	-	-	-	-	29,827	29,827	-
NET CHANGE IN FUND BALANCES	<u>\$ (4,500)</u>	31,371	<u>\$ 35,871</u>	<u>\$ 100,000</u>	67,977	<u>\$ (32,023)</u>	<u>\$ (146,673)</u>	(140,382)	<u>\$ 6,291</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS									
Encumbrance adjustments		-			-			-	
NET CHANGE IN FUND BALANCE - GAAP BASIS		31,371			67,977			(140,382)	
FUND BALANCES, JANUARY 1 (DEFICIT)		<u>1,152,985</u>			<u>(82,947)</u>			<u>257,445</u>	
FUND BALANCES, DECEMBER 31 (DEFICIT)		<u>\$ 1,184,356</u>			<u>\$ (14,970)</u>			<u>\$ 117,063</u>	

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Sewer Lateral			Police Training			Beautification		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	\$ 375,000	\$ 368,309	\$ (6,691)	\$ -	\$ -	\$ -	\$ 11,000	\$ 15,426	\$ 4,426
Intergovernmental	-	-	-	7,000	-	(7,000)	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Total Revenues	<u>375,000</u>	<u>368,309</u>	<u>(6,691)</u>	<u>7,000</u>	<u>-</u>	<u>(7,000)</u>	<u>11,000</u>	<u>15,426</u>	<u>4,426</u>
EXPENDITURES									
Current:									
Community development:									
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Sewer lateral	270,000	220,936	(49,064)	-	-	-	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Police services	-	-	-	20,100	11,226	(8,874)	-	-	-
Parks and recreation	-	-	-	-	-	-	18,100	5,200	(12,900)
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Bond issue costs	-	-	-	-	-	-	-	-	-
Trustee fees	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>270,000</u>	<u>220,936</u>	<u>(49,064)</u>	<u>20,100</u>	<u>11,226</u>	<u>(8,874)</u>	<u>18,100</u>	<u>5,200</u>	<u>(12,900)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>105,000</u>	<u>147,373</u>	<u>42,373</u>	<u>(13,100)</u>	<u>(11,226)</u>	<u>1,874</u>	<u>(7,100)</u>	<u>10,226</u>	<u>17,326</u>
OTHER FINANCING SOURCES									
Transfers in	-	-	-	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 105,000</u>	<u>147,373</u>	<u>\$ 42,373</u>	<u>\$ (13,100)</u>	<u>(11,226)</u>	<u>\$ 1,874</u>	<u>\$ (7,100)</u>	<u>10,226</u>	<u>\$ 17,326</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS									
Encumbrance adjustments		<u>-</u>			<u>-</u>			<u>-</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS		<u>147,373</u>			<u>(11,226)</u>			<u>10,226</u>	
FUND BALANCES, JANUARY 1		<u>1,031,973</u>			<u>15,000</u>			<u>45,640</u>	
FUND BALANCES, DECEMBER 31		<u>\$ 1,179,346</u>			<u>\$ 3,774</u>			<u>\$ 55,866</u>	

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Westport Plaza TIF			Dorsett TIF			Community Center Debt Service		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	\$ 1,180,000	\$ 1,952,263	\$ 772,263	\$ 150,000	\$ 250,588	\$ 100,588	\$ -	\$ -	\$ -
Intergovernmental	1,680,000	1,531,909	(148,091)	-	-	-	-	-	-
Investment income	-	18,009	18,009	-	-	-	-	42	42
Total Revenues	2,860,000	3,502,181	642,181	150,000	250,588	100,588	-	42	42
EXPENDITURES									
Current:									
Community development:									
Economic development	60,000	5,090	(54,910)	150,000	88,025	(61,975)	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Public works:	-	-	-	-	-	-	-	-	-
Streetlight	-	-	-	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:	-	-	-	-	-	-	-	-	-
Streetlighting	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-
Principal	2,000,000	735,000	(1,265,000)	-	-	-	675,000	675,000	-
Interest	800,000	756,016	(43,984)	-	-	-	302,000	300,683	(1,317)
Trustee fees	-	-	-	-	-	-	8,000	2,279	(5,721)
Total Expenditures	2,860,000	1,496,106	(1,363,894)	150,000	88,025	(61,975)	985,000	977,962	(7,038)
REVENUES OVER (UNDER) EXPENDITURES	-	2,006,075	2,006,075	-	162,563	162,563	(985,000)	(977,920)	7,080
OTHER FINANCING SOURCES									
Transfers in	-	-	-	-	-	-	985,000	985,000	-
Total Other Financing Sources	-	-	-	-	-	-	985,000	985,000	-
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	2,006,075	<u>\$ 2,006,075</u>	<u>\$ -</u>	162,563	<u>\$ 162,563</u>	<u>\$ -</u>	7,080	<u>\$ 7,080</u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS									
Encumbrance adjustments		-			-			-	
NET CHANGE IN FUND BALANCE - GAAP BASIS		2,006,075			162,563			7,080	
FUND BALANCES, JANUARY 1		2,405,033			270,590			33,412	
FUND BALANCES, DECEMBER 31		<u>\$ 4,411,108</u>			<u>\$ 433,153</u>			<u>\$ 40,492</u>	

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND - BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Revised Budget	Actual	Over (Under) Budget
REVENUES			
Intergovernmental	\$ 630,000	\$ -	\$ (630,000)
Municipal taxes	2,700,000	2,590,092	(109,908)
Other	-	34	34
Total Revenues	<u>3,330,000</u>	<u>2,590,126</u>	<u>(739,874)</u>
EXPENDITURES			
Capital projects:			
Project mon./maint. of mitigation areas per usage	20,000	-	(20,000)
Capital projects management	233,913	223,774	(10,139)
11814 Jonesdale Court	190,000	-	(190,000)
12102 Glenpark Drive	70,000	187	(69,813)
Administration Drive East of Schuetz Road	790,000	13,508	(776,492)
2515 Westglen Estates Drive	65,000	73,381	8,381
Westglen Estates trail connection	-	32,870	32,870
Adie Road (Dorsett Road to Lindbergh Boulevard)	60,000	20,663	(39,337)
Sidewalk construction	402,000	332,158	(69,842)
Pavement maintenance: concrete, asphalt, and microsurfacing	2,000,000	875,315	(1,124,685)
Right-of-way enhancement program	50,000	37,121	(12,879)
Machinery and Equipment	110,000	81,867	(28,133)
Sustainability Center	1,000,000	397,464	(602,536)
Engineering	320,000	52,431	(267,569)
Construction	430,000	249,478	(180,522)
Other	100,000	-	(100,000)
Total Expenditures	<u>5,840,913</u>	<u>2,390,217</u>	<u>(3,450,696)</u>
NET CHANGE IN FUND BALANCES	<u><u>\$ (2,510,913)</u></u>	199,909	<u><u>\$ 2,710,822</u></u>
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
Encumbrance adjustments		<u>65,396</u>	
NET CHANGE IN FUND BALANCE - GAAP BASIS		265,305	
FUND BALANCE, JANUARY 1		<u>3,825,442</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 4,090,747</u></u>	

SECTION III - STATISTICAL SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI

STATISTICAL

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

Contents	Pages
Financial Trends	
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	87 - 92
Revenue Capacity	
These schedules contain information to help the reader assess the City’s most significant local revenue sources.	93 - 97
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	98 - 101
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	102 - 103
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	104 - 106

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Net Position By Component

Last Ten Fiscal Years
(Accrual basis of accounting)

	December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 127,128,526	\$ 128,450,335	\$ 128,803,131	\$ 138,230,734	\$ 145,517,057	\$ 143,495,136	\$ 141,977,261	\$ 144,918,368	\$ 141,853,924	\$ 138,481,994
Restricted for debt service	1,471,964	1,441,120	1,455,366	1,469,745	15,501	21,119	28,810	29,769	33,412	40,492
Restricted for other purposes	5,361,505	5,727,683	6,330,936	4,097,562	3,799,853	6,349,224	5,593,734	9,640,789	16,324,523	18,286,167
Unrestricted	37,508,623	38,071,760	43,027,838	41,886,551	46,014,976	29,609,494	29,703,301	14,106,935	11,917,223	19,539,035
Total Governmental Activities	\$ 171,470,618	\$ 173,690,898	\$ 179,617,271	\$ 185,684,592	\$ 195,347,387	\$ 179,474,973	\$ 177,303,106	\$ 168,695,861	\$ 170,129,082	\$ 176,347,688
Business-type activities										
Net investment in capital assets	-	-	-	-	-	11,790,962	19,781,473	16,252,387	14,134,106	12,497,564
Restricted for debt service	-	-	-	-	-	3,542,482	3,580,932	3,407,831	2,518,845	3,051,991
Unrestricted	-	-	-	-	-	4,225,307	(5,931,900)	(452,794)	890,731	(187,472)
Total Business-type Activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,558,751	\$ 17,430,505	\$ 19,207,424	\$ 17,543,682	\$ 15,362,083
Primary Government										
Net investment in capital assets	\$ 127,128,526	\$ 128,450,335	\$ 128,803,131	\$ 138,230,734	\$ 145,517,057	\$ 155,286,098	\$ 161,758,734	\$ 161,170,755	\$ 155,988,030	\$ 150,979,558
Restricted for debt service	1,471,964	1,441,120	1,455,366	1,469,745	15,501	3,563,601	3,609,742	3,437,600	2,552,257	3,092,483
Restricted for other purposes	5,361,505	5,727,683	6,330,936	4,097,562	3,799,853	6,349,224	5,593,734	9,640,789	16,324,523	18,286,167
Unrestricted	37,508,623	38,071,760	43,027,838	41,886,551	46,014,976	33,834,801	23,771,401	13,654,141	12,807,954	19,351,563
Total Primary Government	\$ 171,470,618	\$ 173,690,898	\$ 179,617,271	\$ 185,684,592	\$ 195,347,387	\$ 199,033,724	\$ 194,733,611	\$ 187,903,285	\$ 187,672,764	\$ 191,709,771

2015 was the first year of GASB 68 implementation. Prior years have not been restated.

2018 was the first year of GASB 75 implementation. Prior years have not been restated.

During 2018, the City began construction and financing of the Community Ice Center through the Industrial Development Authority of the City of Maryland Heights. The Community Ice Center is a new enterprise fund for 2018.

CITY OF MARYLAND HEIGHTS, MISSOURI

Change In Net Position

Last Ten Fiscal Years
(Accrual basis of accounting)

	For The Years Ended December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES										
Governmental Activities										
Legislative	\$ 154,813	\$ 149,994	\$ 148,426	\$ 196,712	\$ 160,774	\$ 148,419	\$ 179,921	\$ 146,594	\$ 161,543	\$ 163,838
General administration	2,213,776	2,389,179	2,257,387	2,429,857	2,685,671	2,705,950	2,617,448	2,767,495	2,412,920	2,497,321
Finance and accounting	1,442,245	1,570,216	1,391,851	1,439,402	1,349,977	1,499,165	1,376,258	1,507,919	1,328,982	1,236,885
Community development	1,877,219	2,150,241	2,284,715	2,133,831	2,278,066	21,439,615	9,792,272	2,536,732	2,337,323	2,130,112
Public works	10,581,228	10,996,220	9,914,314	10,330,201	10,140,858	11,093,581	11,768,592	9,655,938	9,255,022	10,657,217
Police services	10,185,805	10,707,304	9,970,794	11,049,136	10,760,469	11,415,708	10,513,353	10,976,023	9,326,588	10,469,198
Judicial	365,548	373,615	420,936	435,527	324,429	332,493	334,744	332,963	256,468	347,501
Parks and recreation	4,729,256	4,815,344	4,628,668	6,668,813	5,757,671	6,679,046	6,023,345	5,041,290	4,779,804	5,036,359
Human services	304,450	320,681	330,720	327,392	210,219	217,161	194,440	182,786	174,664	172,512
Interest and fiscal charges	953,942	858,825	1,415,025	1,004,432	825,972	707,799	1,833,793	2,549,469	1,240,243	1,050,180
Total Governmental Activities Expenses	32,808,282	34,331,619	32,762,836	36,015,303	34,494,106	56,238,937	44,634,166	35,697,209	31,273,557	33,761,123
Business-type Activities										
Community ice center	-	-	-	-	-	2,931,585	6,057,337	9,232,638	13,765,282	17,219,880
Total Primary Government Expenses	32,808,282	34,331,619	32,762,836	36,015,303	34,494,106	59,170,522	50,691,503	44,929,847	45,038,839	50,981,003
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
Community development	853,298	754,823	968,997	1,641,041	1,215,386	1,065,356	885,186	1,029,449	1,330,742	1,804,910
Public works	203,981	359,902	363,841	364,313	363,857	372,772	374,853	371,986	374,395	370,809
Police services	2,230,274	2,495,163	2,292,517	1,603,195	1,539,143	1,412,201	1,225,878	661,439	511,017	817,636
Judicial	196,005	209,128	163,763	100,127	91,623	88,033	62,917	36,241	-	-
Parks and recreation	1,113,024	1,115,734	1,243,308	903,828	1,511,650	2,098,383	2,158,163	740,038	586,596	549,143
Human services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,278,440	2,186,616	2,194,906	2,177,867	2,201,262	2,860,670	6,751,798	5,880,118	3,309,685	4,103,180
Capital grants and contributions	1,452,327	298,273	870,588	4,782,425	5,481,297	905,084	-	224,527	-	525,000
Total Governmental Activities Program Revenues	8,327,349	7,419,639	8,097,920	11,572,796	12,404,218	8,802,499	11,458,795	8,943,798	6,112,435	8,170,678
Business-type Activities										
Charges for services	-	-	-	-	-	-	1,941,117	3,946,862	9,964,380	12,895,707
Capital grants and contributions	-	-	-	-	-	16,074,640	965,253	593,166	839,757	611,962
Total Primary Government Program Revenues	8,327,349	7,419,639	8,097,920	11,572,796	12,404,218	24,877,139	14,365,165	13,483,826	16,916,572	21,678,347
NET REVENUE (EXPENSES)										
Governmental activities	(24,480,933)	(26,911,980)	(24,664,916)	(24,442,507)	(22,089,888)	(47,436,438)	(33,175,371)	(26,753,411)	(25,161,122)	(25,590,445)
Business-type activities	-	-	-	-	-	13,143,055	(3,150,967)	(4,692,610)	(2,961,145)	(3,712,211)
Total Primary Government, Net Expenses	(24,480,933)	(26,911,980)	(24,664,916)	(24,442,507)	(22,089,888)	(34,293,383)	(36,326,338)	(31,446,021)	(28,122,267)	(29,302,656)

CITY OF MARYLAND HEIGHTS, MISSOURI

Change In Net Position

Last Ten Fiscal Years
(Accrual basis of accounting)

	For The Years Ended December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Gaming tax	10,992,201	9,705,233	10,162,979	10,413,257	10,388,263	10,010,410	9,982,640	5,704,191	8,066,951	8,633,639
Sales taxes	7,520,275	8,140,037	8,627,676	8,608,862	9,872,492	11,499,252	11,494,961	9,556,319	10,398,815	14,422,546
Utility tax	6,275,959	6,269,831	6,100,744	5,856,808	6,116,132	6,098,184	5,504,641	5,001,741	5,286,244	5,540,590
Property tax from tax increment financing	1,573,760	2,900,725	3,140,626	3,103,000	3,150,603	4,938,356	1,107,905	1,896,301	587,751	1,593,956
Hotel/motel tax	269,679	280,805	281,017	316,937	339,475	371,799	367,717	158,070	237,052	304,027
Cigarette tax	72,934	71,097	78,983	75,108	67,627	60,087	55,921	55,905	51,069	45,531
Business license tax	656,251	654,600	644,833	642,673	615,999	620,001	612,236	592,223	567,014	617,023
Cable franchise tax	364,730	402,200	419,403	397,243	348,185	339,269	330,934	311,157	303,015	231,641
Intergovernmental	-	-	-	-	-	-	-	-	1,464,354	1,809,505
Investment earnings	1,163	608,117	387,937	384,179	529,029	873,191	1,436,619	696,778	(77,652)	(1,150,964)
Gain on sale of capital assets	-	-	-	-	81,027	10,998	86,515	406,080	-	-
Miscellaneous	822,969	99,615	187,412	228,214	243,851	1,439,842	123,415	178,851	509,730	561,557
Transfers	-	-	-	-	-	(5,874,640)	(100,000)	(6,411,450)	(800,000)	(800,000)
Total Governmental Activities										
General Revenues And Other										
Changes In Net Position	28,549,921	29,132,260	30,031,610	30,026,281	31,752,683	30,386,749	31,003,504	18,146,166	26,594,343	31,809,051
Business-type Activities										
Investment earnings	-	-	-	-	-	541,056	922,721	58,079	(2,597)	730,612
Other	-	-	-	-	-	-	-	-	500,000	-
Transfers	-	-	-	-	-	5,874,640	100,000	6,411,450	800,000	800,000
Total Business-type Activities										
General Revenues And Other										
Changes In Net Position	-	-	-	-	-	6,415,696	1,022,721	6,469,529	1,297,403	1,530,612
Total Primary Government										
General Revenues And Other										
Changes In Net Position	28,549,921	29,132,260	30,031,610	30,026,281	31,752,683	36,802,445	32,026,225	24,615,695	27,891,746	33,339,663
CHANGE IN NET POSITION										
Governmental Activities	4,068,988	2,220,280	5,366,694	5,583,774	9,662,795	(17,049,689)	(2,171,867)	(8,607,245)	1,433,221	6,218,606
Business-type Activities	-	-	-	-	-	19,558,751	(2,128,246)	1,776,919	(1,663,742)	(2,181,599)
Total Primary Government	<u>\$ 4,068,988</u>	<u>\$ 2,220,280</u>	<u>\$ 5,366,694</u>	<u>\$ 5,583,774</u>	<u>\$ 9,662,795</u>	<u>\$ 2,509,062</u>	<u>\$ (4,300,113)</u>	<u>\$ (6,830,326)</u>	<u>\$ (230,521)</u>	<u>\$ 4,037,007</u>

During 2018, the City began construction and financing of the Community Ice Center through the Industrial Development Authority of the City of Maryland Heights. The Community Ice Center is a new enterprise fund for 2018.

CITY OF MARYLAND HEIGHTS, MISSOURI

Fund Balances Of Governmental Funds

Last Ten Fiscal Years
(Modified accrual basis of accounting)

		December 31									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund											
Nonspendable	\$	330,411	\$ 624,466	\$ 558,931	\$ 654,231	\$ 429,398	\$ 503,664	\$ 513,009	\$ 583,358	\$ 734,906	\$ 922,077
Committed		236,061	49,469	-	44,615	49,230	101,119	133,680	137,648	141,898	72,732
Assigned		62,665	11,316,656	52,214	15,748	19,107	29,016	551,035	806,166	7,207	538,072
Unassigned		36,107,860	25,003,829	27,153,577	28,839,414	26,256,987	28,810,424	30,223,771	23,697,584	27,286,907	26,778,177
Total General Fund		<u>\$ 36,736,997</u>	<u>\$ 36,994,420</u>	<u>\$ 27,764,722</u>	<u>\$ 29,554,008</u>	<u>\$ 26,754,722</u>	<u>\$ 29,444,223</u>	<u>\$ 31,421,495</u>	<u>\$ 25,224,756</u>	<u>\$ 28,170,918</u>	<u>\$ 28,311,058</u>
All Other Governmental Funds											
Nonspendable	\$	-	\$ 11,270	\$ 1,760	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted		6,720,370	7,040,411	14,492,898	5,545,980	3,794,027	6,368,199	5,622,544	4,941,374	7,884,835	6,351,396
Committed		14,885,497	13,719,147	24,732,348	19,351,530	21,780,377	17,061,168	17,202,895	9,822,124	4,052,585	9,950,451
Unassigned		(614)	-	(3,978)	-	-	-	-	(201,931)	(82,947)	(14,970)
Total All Other Govern- mental Funds		<u>\$ 21,605,253</u>	<u>\$ 20,770,828</u>	<u>\$ 39,223,028</u>	<u>\$ 24,897,510</u>	<u>\$ 25,574,404</u>	<u>\$ 23,429,367</u>	<u>\$ 22,825,439</u>	<u>\$ 14,561,567</u>	<u>\$ 11,854,473</u>	<u>\$ 16,286,877</u>

CITY OF MARYLAND HEIGHTS, MISSOURI

Changes In Fund Balances Of Governmental Funds

Last Ten Fiscal Years
(Modified accrual basis of accounting)

		For The Years Ended December 31									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES											
Municipal taxes		\$ 28,737,386	\$ 29,783,231	\$ 30,822,485	\$ 30,833,479	\$ 31,804,826	\$ 35,880,688	\$ 31,046,236	\$ 25,023,945	\$ 26,869,882	\$ 32,250,192
Licenses, permits, fines, and fees		3,947,310	3,855,393	4,193,136	4,131,966	3,552,361	3,270,887	2,838,590	2,422,817	2,829,431	3,548,712
Charges for services		1,163,292	1,146,111	1,273,308	917,610	1,511,650	2,098,383	2,158,163	740,038	1,620,556	1,775,748
Intergovernmental		2,027,566	765,476	1,352,818	4,553,577	5,953,412	1,887,475	4,815,163	4,234,624	3,683,074	4,244,875
Investment income		1,163	608,117	387,937	384,179	529,029	873,191	1,436,619	696,778	(77,652)	(1,150,964)
Other		832,979	103,159	110,137	892,845	185,960	1,432,696	112,099	160,325	208,174	29,338
Total Revenues		36,709,696	36,261,487	38,139,821	41,713,656	43,537,238	45,443,320	42,406,870	33,278,527	35,133,465	40,697,901
EXPENDITURES											
Current:											
Legislative		154,813	149,994	148,426	196,712	160,774	148,419	179,921	146,594	161,543	163,838
General administration		1,578,645	1,768,784	1,785,619	1,778,734	2,051,522	2,116,743	2,237,651	2,357,282	2,196,354	2,176,083
Finance and accounting		1,412,395	1,513,073	1,405,982	1,350,643	1,315,863	1,419,840	1,385,796	1,468,373	1,497,848	1,415,911
Community development		1,963,392	2,135,277	2,382,157	2,064,384	2,276,220	21,387,696	9,851,250	2,605,560	2,807,849	2,389,170
Public works		6,270,358	6,401,481	5,724,245	5,715,116	5,666,015	5,732,610	5,845,275	5,615,715	5,689,380	5,842,157
Police services		9,980,081	10,189,054	10,143,534	10,451,192	10,592,561	11,264,445	11,019,268	11,331,014	11,498,632	11,704,009
Judicial		367,890	349,818	429,712	426,655	328,478	337,195	347,830	348,673	346,744	365,523
Parks and recreation		3,949,402	3,991,768	3,851,948	3,707,017	4,510,614	5,213,594	5,134,708	4,086,708	4,723,704	5,002,170
Human services		303,943	322,834	337,171	324,502	210,557	217,161	194,440	182,786	174,664	172,512
Capital outlay		7,559,604	7,454,744	14,448,697	24,227,800	13,276,471	4,980,950	5,758,331	8,303,988	3,469,826	3,042,235
Debt service:											
Principal		1,730,000	1,725,000	2,095,000	3,035,000	4,555,000	4,840,000	4,011,023	2,124,262	1,585,000	1,410,000
Issuance costs		-	-	307,356	-	-	-	-	863,432	-	-
Interest		965,300	870,150	1,034,954	1,037,183	891,158	647,733	1,815,539	1,608,630	1,233,293	1,058,978
Total Expenditures		36,235,823	36,871,977	44,094,801	54,314,938	45,835,233	58,306,386	47,781,032	41,043,017	35,384,837	34,742,586
REVENUES OVER (UNDER) EXPENDITURES		473,873	(610,490)	(5,954,980)	(12,601,282)	(2,297,995)	(12,863,066)	(5,374,162)	(7,764,490)	(251,372)	5,955,315
OTHER FINANCING SOURCES (USES)											
Debt issued		-	-	15,000,000	-	-	-	-	20,355,000	-	-
Premium (discount) on issuance of debt		-	-	109,107	-	-	-	-	(101,775)	-	-
Tax increment notes issued		-	-	-	-	-	19,200,000	6,662,500	-	-	-
Payments to escrow agent		-	-	-	-	-	19,200,000	-	(21,012,214)	-	-
Transfers in		2,398,875	1,808,200	12,210,000	1,038,925	6,085,000	1,922,439	1,085,000	1,117,200	2,201,883	1,114,827
Transfers out		(2,398,875)	(1,808,200)	(12,210,000)	(1,038,925)	(6,085,000)	(7,797,079)	(1,185,000)	(7,528,650)	(3,001,883)	(1,914,827)
Insurance proceeds		-	-	-	-	44,253	36,105	31,446	57,228	245,010	417,529
Sale of capital assets		63,333	33,488	68,375	65,050	131,350	46,065	153,560	417,090	45,130	-
Total Other Financing Sources (Uses)		63,333	33,488	15,177,482	65,050	175,603	32,607,530	6,747,506	(6,696,121)	(509,860)	(382,471)
NET CHANGES IN FUND BALANCES		\$ 537,206	\$ (577,002)	\$ 9,222,502	\$ (12,536,232)	\$ (2,122,392)	\$ 19,744,464	\$ 1,373,344	\$ (14,460,611)	\$ (761,232)	\$ 5,572,844
Debt service as a percentage of noncapital expenditures		8.97 %	8.37 %	10.13 %	12.93 %	16.20 %	9.93 %	13.22 %	13.94 %	8.54 %	8.37 %

CITY OF MARYLAND HEIGHTS, MISSOURI

Tax Revenues By Source, Governmental Funds

Last Ten Fiscal Years
(Modified accrual basis of accounting)

For The Years Ended December 31	Gaming	Utility Gross Receipts*	Sales	Other	Total
2013	\$ 10,992,202	\$ 6,249,038	\$ 7,378,366	\$ 4,117,780	\$ 28,737,386
2014	9,705,234	6,270,207	8,190,622	5,617,168	29,783,231
2015	10,162,981	6,163,361	8,634,010	5,862,133	30,822,485
2016	10,413,258	5,876,388	8,669,234	5,874,599	30,833,479
2017	10,388,263	5,924,268	9,569,763	5,922,532	31,804,826
2018	10,010,410	6,376,048	11,559,664	7,934,566	35,880,688
2019	9,982,640	5,610,406	11,436,334	4,016,857	31,046,236
2020	5,704,191	5,025,762	9,716,229	4,577,763	25,023,945
2021	8,066,951	5,286,244	10,398,815	3,117,872	26,869,882
2022	8,633,639	5,586,121	13,293,568	4,736,864	32,250,192

*The schedule reflects receipts from taxpayers. Revenue recognized is net of audit fees paid on taxpayer returns.

CITY OF MARYLAND HEIGHTS, MISSOURI

Gross Receipts Tax On Utilities - Rates, Direct And Overlapping

Last Ten Fiscal Years
(Modified accrual basis of accounting)

Category Of Utility	For The Years Ended December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Electric	\$ 62,614,944	\$ 63,209,084	\$ 64,911,236	\$ 62,942,519	\$ 64,499,224	\$ 72,982,444	\$ 63,571,196	\$ 56,712,980	\$ 61,659,560	\$ 66,373,622
Gas	12,912,504	14,192,432	13,089,034	10,770,649	12,191,292	13,417,899	13,060,682	11,438,782	11,376,207	13,373,885
Telephone	31,478,083	29,832,167	27,278,887	25,901,841	23,873,077	21,144,127	17,363,931	14,544,873	13,624,859	12,339,568
Water	6,613,333	6,770,081	6,781,956	7,228,405	7,150,375	8,383,669	8,011,572	8,680,864	9,452,893	9,478,761
Total Gross Receipts Of Utilities	<u>\$ 113,618,864</u>	<u>\$ 114,003,763</u>	<u>\$ 112,061,113</u>	<u>\$ 106,843,415</u>	<u>\$ 107,713,968</u>	<u>\$ 115,928,139</u>	<u>\$ 102,007,380</u>	<u>\$ 91,377,499</u>	<u>\$ 96,113,519</u>	<u>\$ 101,565,836</u>
Rate	5.5 %	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Revenue	<u>\$ 6,249,038</u>	<u>\$ 6,270,207</u>	<u>\$ 6,163,361</u>	<u>\$ 5,876,388</u>	<u>\$ 5,924,268</u>	<u>\$ 6,376,048</u>	<u>\$ 5,610,406</u>	<u>\$ 5,025,762</u>	<u>\$ 5,286,244</u>	<u>\$ 5,586,121</u>

The City's rate of 5.5% is the only one applied.

No overlapping jurisdictions impose this tax.

In 2019, the City received a settlement from Ameren. The 2019 revenue does not reflect the settlement amount.

The schedule reflects receipts from taxpayers. Revenue recognized is net of audit fees paid on taxpayer returns.

CITY OF MARYLAND HEIGHTS, MISSOURI

Principal Taxpayers - Gross Receipts Tax On Utilities

For The Years Ended December 31 - Current Year And Nine Years Ago

Taxpayer	2022			2013		
	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts
Ameren Missouri	\$ 65,312,337	1	65.05 %	\$ 62,614,944	1	55.11 %
Spire Missouri (formerly, Laclede Gas)	13,562,505	2	13.51	12,851,084	2	11.31
Missouri-American Water Co.	9,850,433	3	9.81	6,613,333	5	5.82
AT&T Missouri (formerly, Southwestern Bell)	3,598,981	4	3.58	7,000,472	3	6.16
New Cingular Wireless	2,138,641	5	2.13	6,770,028	4	5.96
Total			<u>94.08 %</u>			<u>84.36 %</u>

Source: Tax returns for utility taxpayers

CITY OF MARYLAND HEIGHTS, MISSOURI

Sales Tax Rates, Direct And Overlapping

Last Ten Fiscal Years

<u>For The Years Ended December 31</u>	<u>City Direct Rate</u>	<u>St. Louis County</u>	<u>State Of Missouri</u>	<u>Direct And Overlapping</u>
2022	0.500 %	3.513 %	4.225 %	8.238 %
2021	0.500	3.513	4.225	8.238
2020	0.500	3.513	4.225	8.238
2019	0.500	3.513	4.225	8.238
2018	0.500	3.388	4.225	8.113
2017	0.500	3.388	4.225	8.113
2016	0.500	2.888	4.225	7.613
2015	0.500	2.888	4.225	7.613
2014	0.500	2.888	4.225	7.613
2013	0.500	2.888	4.225	7.613

The City levies a sales tax of one-half percent (0.5%) for the purpose of parks and stormwater.

Additionally, the City receives a portion of the rate levied by St. Louis County.

CITY OF MARYLAND HEIGHTS, MISSOURI

Taxable Sales Generated By Industry

For The Years Ended December 31 - Last Ten Fiscal Years

Industry	2013			2014			2015			2016			2017		
	Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable		Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable		Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable		Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable		Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable	
		Gross Receipts			Gross Receipts			Gross Receipts			Gross Receipts			Gross Receipts	
Wholesale trade - durable goods	\$ 48,196	6.43	%	\$ 52,750	6.59	%	\$ 55,914	6.61	%	\$ 57,208	6.56	%	\$ 181,570	19.63	%
Eating and drinking places	90,336	12.05		91,090	11.39		96,884	11.45		99,636	11.42		95,787	10.36	
Miscellaneous services	156,850	20.93		176,943	22.12		176,657	20.87		199,422	22.86		89,795	9.71	
Miscellaneous retail	41,098	5.48		49,991	6.25		51,368	6.07		56,380	6.46		100,370	10.85	
Electric, gas, and sanitary services	44,243	5.90		44,398	5.55		44,848	5.30		43,074	4.94		44,804	4.85	
Food stores	47,571	6.35		48,536	6.07		50,500	5.97		53,126	6.09		39,852	4.31	
Amusement/recreation services, except motel	15,577	2.08		12,387	1.55		14,046	1.66		16,021	1.84		16,934	1.83	
Hotels, rooming houses, and camps/other	48,626	6.49		49,129	6.14		51,193	6.05		53,558	6.14		77,427	8.37	
Communication	22,713	3.03		24,707	3.09		24,567	2.90		20,442	2.34		20,756	2.24	
Other	234,317	31.26		249,944	31.25		280,296	33.12		273,552	31.35		257,528	27.85	
Total Taxable Sales	<u>\$ 749,527</u>	<u>100.00</u>	%	<u>\$ 799,875</u>	<u>100.00</u>	%	<u>\$ 846,273</u>	<u>100.00</u>	%	<u>\$ 872,419</u>	<u>100.00</u>	%	<u>\$ 924,823</u>	<u>100.00</u>	%

Industry	2018			2019			2020			2021			2022		
	Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable		Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable		Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable		Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable		Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable	
		Gross Receipts			Gross Receipts			Gross Receipts			Gross Receipts			Gross Receipts	
Wholesale trade - durable goods	\$ 195,603	19.57	%	\$ 207,828	21.71	%	\$ 209,424	26.24	%	\$ 237,783	27.47	%	308,446	31.86	%
Eating and drinking places	100,567	10.06		102,993	10.76		63,364	7.94		84,998	9.82		94,439	9.76	
Miscellaneous services	98,671	9.87		81,840	8.55		63,235	7.92		64,178	7.42		66,639	6.88	
Miscellaneous retail	107,772	10.78		123,781	12.93		127,392	15.96		132,242	15.28		140,985	14.56	
Electric, gas, and sanitary services	47,327	4.73		38,157	3.99		34,285	4.30		23,055	2.66		15,260	1.58	
Food stores	40,682	4.07		39,424	4.12		42,891	5.37		41,589	4.81		41,970	4.34	
Amusement/recreation services, except motel	17,747	1.78		16,411	1.71		7,576	0.95		11,692	1.35		12,551	1.30	
Hotels, rooming houses, and camps/other	82,805	8.28		82,484	8.62		32,443	4.07		48,280	5.58		59,608	6.16	
Communication	20,215	2.02		19,227	2.01		14,030	1.76		12,787	1.48		10,098	1.04	
Other	288,240	28.84		245,090	25.60		203,462	25.49		208,882	24.13		218,101	22.53	
Total Taxable Sales	<u>\$ 999,629</u>	<u>100.00</u>	%	<u>\$ 957,235</u>	<u>100.00</u>	%	<u>\$ 957,235</u>	<u>100.00</u>	%	<u>\$ 798,102</u>	<u>100.00</u>	%	<u>\$ 968,097</u>	<u>100.00</u>	%

Source: Taxable sales by Standard Industry Code reported by the State of Missouri Department of Revenue (2009 - 2016). State of Missouri converted to using North American Industry Classification System (NAICS) in 2017.

State law prohibits the disclosure of specific taxpayer information.

CITY OF MARYLAND HEIGHTS, MISSOURI

Gaming Tax Revenues

Last Ten Fiscal Years

(all numbers in thousands except percentages)

<u>For The Years Ended December 31</u>	<u>Admissions</u>	<u>Taxable Gross Receipts</u>	<u>Total Revenue</u>	<u>Percent Of Total Governmental Revenue</u>
2013	6,081	\$ 233,847	\$ 10,992	29.8 %
2014	5,111	218,757	9,705	26.8
2015	5,359	228,752	10,163	26.6
2016	5,469	235,457	10,413	25.0
2017	5,404	237,341	10,388	23.9
2018	5,111	233,287	10,010	22.0
2019	4,953	239,507	9,983	23.5
2020	2,613	147,179	5,704	17.1
2021	3,548	214,095	8,067	23.0
2022	3,629	238,333	8,633	21.2

Revenue amounts are on the modified accrual basis of accounting.

Gaming taxes are levied by the state and shared by the "host city". While this revenue is not considered an "own source revenue", the significance to the City's financial resources merits special mention.

Gaming taxes are comprised of two components, admissions and gross receipts. The state levies a tax of \$2 per admission to a casino of which the host city receives \$1 (50%) of that tax. The state levies a tax of 21% (20% prior to 2008) on the gross receipts of casinos of which the host city receives 10% of the tax (in effect 2.1% of the gross receipts).

The total revenue from gaming taxes also includes interest paid by the state to the City on funds collected from the tax before distribution to the host city.

CITY OF MARYLAND HEIGHTS, MISSOURI

Ratios Of Outstanding Debt By Type

Last Ten Fiscal Years

	December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Certificates of participation	\$ 14,323,650	\$ 12,618,950	\$ 10,544,250	\$ 8,129,550	\$ 4,204,850	\$ 19,200,000	\$ 12,612,507	\$ 11,957,097	\$ 11,286,687	\$ 10,606,277
Tax increment notes and bonds	-	-	15,104,148	14,498,738	13,883,327	13,252,917	22,486,477	20,255,552	19,342,532	18,614,512
Total Debt Outstanding	14,323,650	12,618,950	25,648,398	22,628,288	18,088,177	32,452,917	35,098,984	32,212,649	30,629,219	29,220,789
Less - Reserve for debt service	(1,471,964)	(1,441,120)	(1,455,366)	(1,469,745)	(15,501)	(21,119)	(28,810)	(29,769)	(33,412)	(1,210,609)
Net Governmental Activities Debt Outstanding	<u>\$ 12,851,686</u>	<u>\$ 11,177,830</u>	<u>\$ 24,193,032</u>	<u>\$ 21,158,543</u>	<u>\$ 18,072,676</u>	<u>\$ 32,431,798</u>	<u>\$ 35,070,174</u>	<u>\$ 32,182,880</u>	<u>\$ 30,595,807</u>	<u>\$ 28,010,180</u>
Business-type Activities										
IDA Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,753,482	\$ 55,746,014	\$ 55,238,547	\$ 54,386,080	\$ 53,743,613
Less - Reserve for debt service	-	-	-	-	-	(3,542,482)	(3,580,932)	(3,407,831)	(2,518,845)	(3,051,991)
Net Business-type Activities Debt Outstanding	-	-	-	-	-	52,211,000	52,165,082	51,830,716	51,867,235	50,691,622
Total Net Debt Outstanding	<u>\$ 12,851,686</u>	<u>\$ 11,177,830</u>	<u>\$ 24,193,032</u>	<u>\$ 21,158,543</u>	<u>\$ 18,072,676</u>	<u>\$ 84,642,798</u>	<u>\$ 87,235,256</u>	<u>\$ 84,013,596</u>	<u>\$ 82,463,042</u>	<u>\$ 78,701,802</u>
Personal Income	<u>\$ 812,814,064</u>	<u>\$ 812,814,064</u>	<u>\$ 812,814,064</u>	<u>\$ 812,814,064</u>	<u>\$ 812,814,064</u>	<u>\$ 812,814,064</u>	<u>\$ 812,814,064</u>	<u>\$ 812,814,064</u>	<u>\$ 1,165,979,616</u>	<u>\$ 1,165,979,616</u>
Debt As Percentage Of Personal Income	<u>1.76 %</u>	<u>1.55</u>	<u>3.16</u>	<u>2.78</u>	<u>2.23</u>	<u>3.99</u>	<u>4.32</u>	<u>3.96</u>	<u>2.63</u>	<u>2.51</u>
Population	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>	<u>28,284</u>
Per Capita Debt	<u>521</u>	<u>459</u>	<u>934</u>	<u>824</u>	<u>658</u>	<u>1,181</u>	<u>1,278</u>	<u>1,173</u>	<u>1,115</u>	<u>1,033</u>

CITY OF MARYLAND HEIGHTS, MISSOURI

Legal Debt Margin Information

Last Ten Fiscal Years

Description	December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 102,570,821	\$ 102,126,516	\$ 98,627,478	\$ 98,606,671	\$ 106,959,345	\$ 105,493,438	\$ 114,648,317	\$116,166,620	\$ 116,166,620	\$ 121,404,955
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 102,570,821</u>	<u>\$ 102,570,821</u>	<u>\$ 102,126,516</u>	<u>\$ 98,627,478</u>	<u>\$ 98,606,671</u>	<u>\$ 106,959,345</u>	<u>\$ 105,493,438</u>	<u>\$114,648,317</u>	<u>\$ 116,166,620</u>	<u>\$ 121,404,955</u>

Calculation for Fiscal Year 2021:

Assessed value	\$ 1,214,049,550
Debt limit -- 10% of assessed value	\$ 121,404,955

Bonded indebtedness is limited by Sections 95.115 and 95.120 of Missouri Statutes to 10% of the assessed value of taxable tangible property.

CITY OF MARYLAND HEIGHTS, MISSOURI

Computation Of Direct And Overlapping Debt

December 31, 2022

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Percent* Applicable To Maryland Heights</u>	<u>Amount Applicable To Maryland Heights</u>
St. Louis County	\$ 64,395,000	4.07 %	\$ 2,620,066
Monarch Fire Protection District ¹	9,975,000	0.37	36,507
Pattonville-Bridgeton Fire Protection District ¹	53,145,000	26.12	13,879,663
Pattonville School District ¹	73,790,000	43.27	31,932,544
Parkway School District ¹	227,965,000	9.18	20,932,407
Special School District ¹	24,515,000	4.07	997,452
Maryland Heights Fire Protection District ¹	12,245,000	98.00	11,999,780
Creve Coeur Fire Protection District ¹	15,575,000	10.92	1,700,398
Subtotal, Overlapping Debt			<u>84,098,817</u>
City of Maryland Heights direct debt			<u>29,220,789</u>
Total Direct And Overlapping Debt			<u><u>\$ 113,319,606</u></u>

¹Only portions of the school and fire districts are located within the City boundaries. The applicable amounts refer to that portion of the district that is contained within the City's boundaries. Therefore, the applicable amounts refer to portions of the City's taxpayers.

*Based on the percent of total assessed value of a jurisdiction comprising the City's assessed property.

Source: The above-named jurisdictions

CITY OF MARYLAND HEIGHTS, MISSOURI

Pledged Revenue Coverage

Last Ten Fiscal Years

	For The Years Ended December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Tax increment financing (TIF) sales tax	\$ 102,994	\$ 153,157	\$ 250,629	\$ 241,631	\$ 274,657	\$ 440,482	\$ 171,356	\$ -	\$ -	\$ 588,646
TIF property tax	1,425,533	2,742,019	3,007,638	2,562,975	2,498,113	4,749,521	865,440	1,682,364	293,359	1,363,617
Total Available Revenue	<u>\$ 1,528,527</u>	<u>\$ 2,895,176</u>	<u>\$ 3,258,267</u>	<u>\$ 2,804,607</u>	<u>\$ 2,772,770</u>	<u>\$ 5,190,003</u>	<u>\$ 1,036,796</u>	<u>\$ 1,682,364</u>	<u>\$ 293,359</u>	<u>\$ 1,952,263</u>
Debt Service (interest due including increases to the notes)	<u>\$ 2,695,300</u>	<u>\$ 2,595,150</u>	<u>\$ 2,870,275</u>	<u>\$ 3,095,050</u>	<u>\$ 4,471,125</u>	<u>\$ 4,510,050</u>	<u>\$ 4,851,479</u>	<u>\$ 2,755,659</u>	<u>\$ 2,755,659</u>	<u>\$ 756,016</u>
Ratio	<u>0.57</u>	<u>1.12</u>	<u>1.14</u>	<u>0.91</u>	<u>0.62</u>	<u>1.15</u>	<u>0.21</u>	<u>0.61</u>	<u>0.11</u>	<u>2.58</u>
TIF bonds outstanding at January 1	\$ 16,145,000	\$ 14,415,000	\$ 12,690,000	\$ 10,595,000	\$ 8,160,000	\$ 4,215,000	\$ 19,200,000	\$ 22,486,477	\$ 20,355,000	\$ 19,435,000
New issue	-	-	-	-	-	19,200,000	6,662,500	20,355,000	-	-
Principal paid	1,730,000	1,725,000	2,095,000	2,435,000	3,945,000	4,215,000	3,376,023	22,486,477	920,000	735,000
TIF Bonds Outstanding At December 31	<u>\$ 14,415,000</u>	<u>\$ 12,690,000</u>	<u>\$ 10,595,000</u>	<u>\$ 8,160,000</u>	<u>\$ 4,215,000</u>	<u>\$ 19,200,000</u>	<u>\$ 22,486,477</u>	<u>\$ 20,355,000</u>	<u>\$ 19,435,000</u>	<u>\$ 18,700,000</u>

Beginning in 2001 the City issued Series 2001A TIF notes at 8.5% and 2001B TIF notes at 10%, payable through September 2018, in cooperation with a developer (Duke Realty) for the purpose of paying a portion of the redevelopment project costs in connection with the South Heights TIF District Redevelopment Plan. Duke Realty assumes ownership of the Redevelopment Plan and the City's plan costs are intended to provide for the general health, safety, and welfare of that portion of the City affected by the blighted area. The TIF notes are considered a special limited obligation of the City and have been issued to Duke Realty. The City will make principal and interest payments on the TIF notes to the developer based on incremental payments in lieu of taxes attributable to the Redevelopment Plan.

In December 2007 the City issued bonds to refund the 2001 A & B notes. Beginning in 2008 the incremental taxes are used to pay interest and all remaining amounts are used to redeem principal (less required payments to the Maryland Heights Fire Protection District). These bonds were repaid during 2018.

During 2018, the City issued Series 2018B TIF notes, payable in variable amounts through 2038.

During 2020 the City issued tax increment and special district revenue bonds to refund notes previously issued to finance eligible redevelopment costs in the Westport Plaza Tax Increment Financing districts. The 2020 Series TIF Bonds are payable through 2038 at variable interest rates.

CITY OF MARYLAND HEIGHTS, MISSOURI

Demographic And Economic Statistics

Last Ten Calendar Years

For The Years Ended December 31	Population	Personal Income (Thousands Of Dollars)	Per Capita Personal Income	School Enrollment		Unemployment Rate
				Pattonville School District	Parkway School District	
2013	27,472	\$ 812,814	\$ 29,587	5,563	17,274	5.00 %
2014	27,472	812,814	29,587	5,576	17,279	4.80
2015	27,472	812,814	29,587	5,477	17,361	4.00
2016	27,472	812,814	29,587	5,468	17,551	3.60
2017	27,472	812,814	29,587	5,502	17,597	2.80
2018	27,472	812,814	29,587	5,791	17,635	2.60
2019	27,472	812,814	29,587	5,791	17,605	2.50
2020	27,472	812,814	29,587	6,007	17,525	5.50
2021	28,284	1,165,979	41,224	6,030	17,137	2.30
2022	28,284	1,211,828	42,845	6,102	17,134	2.60

Sources: Population and per capita personal income based on U.S. Census Bureau data.

School enrollment information provided by school district.

Unemployment rate information received from the Missouri Department of Labor.

CITY OF MARYLAND HEIGHTS, MISSOURI

Principal Employers

Current Year And Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage Of Total City Employment	Employees	Rank	Percentage Of Total City Employment
Spectrum Mid West LLC (Formerly, Charter Communications Entertainment, LLC)	2,119	1	5.12 %	-		- %
World Wide Technology, LLC	1,432	2	3.46	-		-
Edward Jones	1,418	3	3.43	1,506	2	3.30
Magellan Health Services	1,350	4	3.26	1,508	1	3.40
Hollywood Casino St. Louis	933	5	2.26	1,256	3	2.80
United Healthcare of the Midwest	900	6	2.18	900	6	2.00
Graybar Electric Company, Inc.	690	7	1.67	450	10	1.00
Schnucks Markets, Inc.	627	8	1.52	853	7	1.90
Equifax Workforce Solutions	570	9	1.38			
Ranken Jordan Pediatric Bridge Hospital	500	10	1.21			
Elsevier, Inc.	-	-	-	750	8	1.70
Monsanto	-	-	-	1,200	4	2.70
GMAC	-	-	-	1,005	5	2.20
Bunge North America, Inc.	-	-	-	520	9	1.20
Total	10,539		25.49 %	9,948		22.20 %

Source: City's Clerk office based on business license renewals in years listed

CITY OF MARYLAND HEIGHTS, MISSOURI

Full-time Equivalent City Government Employees By Functions/Programs¹

Last Ten Fiscal Years

Functions/Programs	December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government:										
Administration	7.75	8.75	9.75	9.25	10.50	11.25	12.25	11.25	10.00	10.00
Finance	9.00	9.25	9.00	9.00	8.00	8.00	8.00	8.00	9.00	9.00
Community development	19.25	19.25	19.25	20.25	20.25	19.25	19.25	20.25	20.25	20.25
Municipal court	4.90	4.30	5.30	3.30	3.80	3.80	3.80	3.80	3.80	3.80
Human services	2.80	1.80	1.90	1.90	-	-	-	-	-	-
Police:										
Officers	79.00	79.00	78.20	78.00	78.00	79.00	79.00	80.50	81.00	81.00
Civilians	18.20	18.80	17.90	17.90	19.90	19.90	19.90	19.90	19.90	19.90
Public works:										
Engineering and administration	5.00	5.00	4.00	4.00	3.50	3.00	3.00	3.00	3.00	3.00
Road and bridges	15.50	15.50	15.50	15.50	14.50	14.50	14.50	13.75	13.75	13.75
Storm water	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Vehicle maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Construction management	6.25	6.25	5.25	5.25	3.25	2.25	2.25	2.25	2.25	2.25
Parks and recreation:										
Administration	3.00	3.00	3.00	3.00	2.00	2.00	1.00	1.00	1.00	1.00
Recreation services	11.70	11.40	12.30	31.44	35.80	46.44	52.67	50.93	45.20	45.67
Community Centre	13.70	13.80	13.80	6.57	7.25	7.25	8.25	8.25	8.25	8.25
Government center maintenance	5.00	4.00	4.00	4.00	5.00	5.00	4.00	4.00	4.00	4.00
Aquaport	2.90	2.90	2.90	2.45	3.30	3.30	14.56	13.63	16.95	16.76
Parks maintenance	9.20	9.20	9.20	10.70	10.20	9.20	8.20	8.20	8.20	8.20
Total	<u>223.15</u>	<u>222.20</u>	<u>221.25</u>	<u>232.51</u>	<u>235.25</u>	<u>244.14</u>	<u>260.63</u>	<u>258.71</u>	<u>256.55</u>	<u>256.83</u>

Source: Payroll Data from Finance Department

The Community Ice Center is not a part of this schedule as there are no City employees.

¹An FTE is based on a 2,080 hour work year.

CITY OF MARYLAND HEIGHTS, MISSOURI

Capital Asset Statistics By Functions/Programs

Last Ten Fiscal Years

Functions/Programs	December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sectors	6	6	6	6	6	6	6	6	6	6
Marked patrol units	26	26	27	27	27	27	27	27	27	25
Public works:										
Streets (miles)	97	97	97	97	97	97	97	97	97	97
Streetlights	1,956	1,961	1,948	1,954	1,963	1,961	1,961	1,961	1,961	1,961
Parks and recreation:										
Recreational facilities	8	8	8	7 *	8	8	8	8	8	8
Acreage ¹	123	123	123	123	123	123	123	123	123	123
Playgrounds	7	7	7	7	7	7	7	7	7	7
Square footage of Community Centre	42,000	42,000	42,000	N/A *	92,000	92,000	92,000	92,000	92,000	92,000
Soccer fields	14	14	14	14	14	14	14	14	14	14
Paved trails (in miles)	-	-	0.75	0.75	0.75	3	3	3	3	3
Business-type asset:										
Community Ice Center*										
Square footage	-	-	-	-	-	-	275,000	275,000	275,000	275,000
Acreage	-	-	-	-	-	-	25	25	25	25
Ice rinks	-	-	-	-	-	-	4	4	4	4

Source: Various City departments

¹ Acreage does not include undeveloped park land.

*The Community Ice Center opened in September 2019. No other operating indicators available but will be added in future years.

CITY OF MARYLAND HEIGHTS, MISSOURI

Operating Indicators By Functions/Programs

Last Ten Fiscal Years

Functions/Programs	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Adult arrests	4,947	4,730	4,655	4,042	4,625	4,330	3,714	1,783	2,324	2,625
Juvenile arrests	197	135	105	84	100	58	74	49	50	97
Hazardous citations	5,545	5,650	5,520	4,249	4,255	4,131	2,892	1,765	1,748	3,417
Nonhazardous citations	6,731	6,185	5,990	5,178	5,148	4,959	3,318	1,687	1,857	3,157
Emergency calls	574	554	566	617	632	661	663	599	615	595
Nonemergency calls	64,310	68,369	73,634	79,859	78,278	78,302	73,019	60,520	63,539	63,370
Public Works										
Street asphalt repairs tons	63	152	134	71	83	24	85	149	-	-
Street concrete repairs sq. yds.	43,644	20,767	12,097	1,283	2,335	1,883	840	763	1,369	500
Sidewalk replacement sq. ft.	19,932	14,608	2,763	9,530	11,239	8,767	7,803	9,691	6,914	12,020
Trees maintained	1,574	1,245	1,677	3,027	1,707	1,685	1,274	1,147	672	780
Storm water inlet repairs	69	114	70	86	41	51	35	110	-	-
Sewer lateral repairs	48	61	73	67	64	56	65	75	69	46
Parks and Recreation										
Total programs offered	786	781	871	411	305	284	368	178	213	194
Total program registrations	7,071	7,888	5,910	5,842	6,395	4,490	4,538	2,067	3,092	4,905
Room set-ups	3,409	3,338	3,425	2,061	1,043	2,238	2,570	542	1,056	1,322
Room rentals	2,454	2,459	2,404	1,735	445	795	1,971	160	455	678
Rental attendance	65,954	72,576	74,276	35,620	47,303	82,330	82,242	18,393	35,880	85,675
Community Center membership swipes	N/A	N/A	N/A	N/A	95,908	146,203	159,310	71,732	58,256	95,890
Community Development										
Zoning permits	150	134	133	146	129	121	121	140	142	144
Business licenses	1,695	1,564	1,778	1,665	1,714	1,967	2,012	1,690	2,035	2,075
Building permits	1,727	1,254	1,280	1,351	1,586	1,430	1,594	1,106	1,430	2,529
Building inspections	3,901	3,035	3,534	3,924	4,719	4,045	3,461	3,001	3,587	5,712
Code inspections	1,693	1,421	2,384	1,751	1,209	1,695	1,306	973	1,371	533
Notice of code violation sent	473	362	528	321	235	258	128	129	210	109
Finance and Administration										
Bid solicitations	20	16	19	20	20	13	18	9	11	8
Press releases issued	25	4	10	16	15	7	5	15	3	7
Public inquiry responses - email	285	233	210	270	363	201	280	412	402	212
Business-type Asset										
Community Ice Center*										
Number of tenants	-	-	-	-	-	-	-	10	10	10
City sponsored events	-	-	-	-	-	-	-	41	5	5
Learn to Skate registrations	-	-	-	-	-	-	-	225	869	905
Hockey Program attendance	-	-	-	-	-	-	-	312	1,575	1,575
Concerts	-	-	-	-	-	-	-	-	24	34
Adult League Hockey participants	-	-	-	-	-	-	-	1,088	1,268	1,500
Adult Learn to Play Hockey attendance	-	-	-	-	-	-	-	324	-	-
Rentals	-	-	-	-	-	-	-	7	9	5

*The Community Ice Center opened in September 2019. No other operating indicators available but will be added in future years.

Source: Various City departments