

City of Maryland Heights, Missouri



Comprehensive Annual Financial Report

For The Year Ended December 31, 2014

CITY OF MARYLAND HEIGHTS, MISSOURI

**Comprehensive Annual Financial Report
For The Fiscal Year Ended December 31, 2014**

Prepared by:
Finance Department
David V. Watson, Director of Finance

CITY OF MARYLAND HEIGHTS, MISSOURI
FINANCIAL REPORT

	Page
SECTION I - INTRODUCTORY SECTION	
Principal Officials	ii
Organizational Chart	iii
Certificate of Achievement	iv
Letter of Transmittal	v
SECTION II - FINANCIAL SECTION	
Independent Auditor's Report	2
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Fiduciary Net Position - Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	24
Notes to Financial Statements	25
Required Supplemental Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund	45
Major Special Revenue Fund:	
Special Park Fund	48
Budgetary Basis of Accounting	49
Budgetary Data	50
Other Supplemental Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Funds	53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds	55
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Funds	57
Major Governmental Funds - Budgetary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Capital Improvements Fund	62
Fiduciary Fund Types:	
Statement of Changes in Assets and Liabilities - Agency Fund	64

CITY OF MARYLAND HEIGHTS, MISSOURI
FINANCIAL REPORT

	Page
SECTION III - STATISTICAL SECTION	
Net Position by Component - Last Ten Fiscal Years	67
Change in Net Position - Last Ten Fiscal Years	68
Fund Balances of Governmental Funds - Last Ten Fiscal Years	69
Changes in Fund Balances of Governmental Funds - Last Ten Fiscal Years	70
Tax Revenues by Source, Governmental Funds - Last Ten Fiscal Years	71
Gross Receipts Tax on Utilities - Rates, Direct and Overlapping - Last Ten Fiscal Years	72
Principal Taxpayers - Gross Receipts Tax on Utilities - Current Year and Nine Years Ago	73
Sales Tax Rates, Direct and Overlapping - Last Ten Fiscal Years	74
Taxable Sales Generated by Industry - Last Eight Fiscal Years	75
Gaming Tax Revenues - Last Ten Fiscal Years	76
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	77
Legal Debt Margin Information - Last Ten Fiscal Years	78
Computation of Direct and Overlapping Debt - Current Year	79
Pledged Revenue Coverage - Last Ten Fiscal Years	80
Demographic and Economic Statistics - Last Ten Calendar Years	81
Principal Employers - Current Year and Nine Years Ago	82
Full-time Equivalent City Government Employees by Functions/Programs - Last Ten Fiscal Years	83
Capital Asset Statistics by Functions/Programs - Last Ten Fiscal Years	84
Operating Indicators by Functions/Programs - Last Ten Fiscal Years	85

SECTION I - INTRODUCTORY SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI
PRINCIPAL OFFICIALS
DECEMBER 31, 2014

MAYOR

G. Michael Moeller

CITY COUNCIL

Kenneth E. Gold
Donald A. Hunt
Kimberly Baker
Edwin L. Dirck, Jr.
Charles Caverly
Michael Hachmeister
James Carver
Norman A. Rhea

CITY ADMINISTRATOR

Mark M. Levin

CITY CLERK

Joann Cova

CHIEF OF POLICE

William Carson

DIRECTOR OF PUBLIC WORKS

Bryan Pearl

DIRECTOR OF FINANCE

David V. Watson

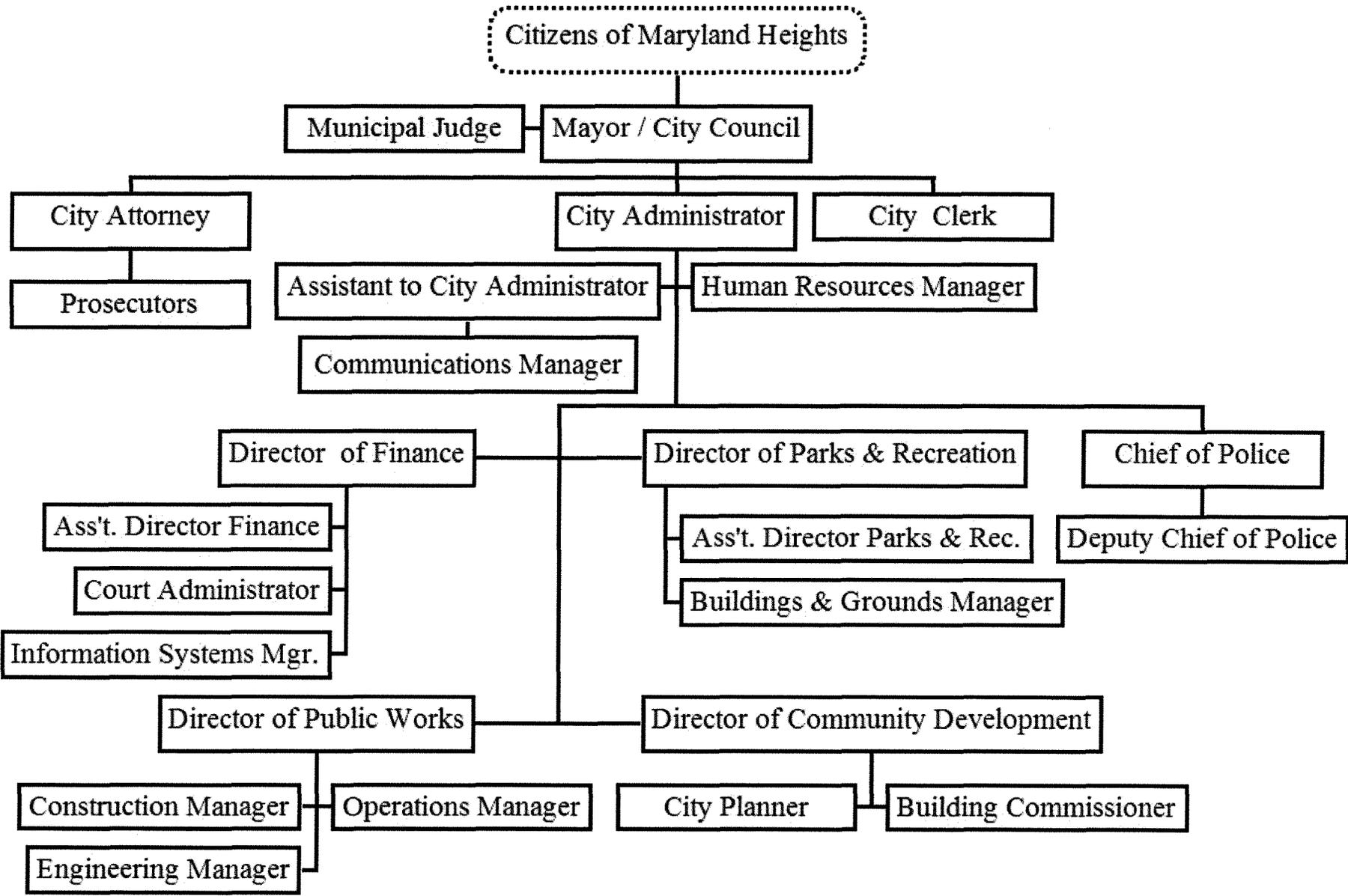
DIRECTOR OF COMMUNITY DEVELOPMENT

J. Wayne Oldroyd

DIRECTOR OF PARKS AND RECREATION

Mary L. Vaughan

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 Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO



May 28, 2015

To the Citizens of the
City of Maryland Heights:

Pursuant to City policy and in conformance with state law, the Comprehensive Annual Financial Report (CAFR) of the City of Maryland Heights, Missouri (the City), for the fiscal year ending December 31, 2014, 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 Hochschild, Bloom & Company LLP, a firm of licensed certified public accountants. The goal of this independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended December 31, 2014 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 unqualified opinion that the City's financial statements for the year ended December 31, 2014 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 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 27,472 residents occupying approximately 12,200 housing units. The business community is quite diverse with 1,600 businesses employing 50,000 people. Also notable is the existence of over 3,500 hotel rooms, a casino, a 21,000 capacity outdoor amphitheater, and other popular nightlife activities. On a busy day, more than 120,000 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 is the Assistant to the Mayor and is responsible for the employment and discharge of City employees pursuant to policies adopted by the City Council.

The City provides a wide range of municipal services, including police, planning and zoning, code enforcement, 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 has no component units.

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 page 45 through 50 as required supplementary information. For other governmental funds that have an adopted budget, comparison schedules are found in other supplementary information beginning on page 52.

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.

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, Monsanto, Magellan Behavioral Health, Watlow Electric, Monsanto, Worldwide Technologies, and United Healthcare of the Midwest.

The demand for office space and hotel rooms in the region will have major impact on the financial health of the City.

Riverboat Gaming. A large portion (about 27% in 2014) 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 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 over \$54 million are planned for the years 2015 through 2019 including \$30 million for a new community center. 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. However, with revenues historically used for operations having dropped the City will be using more gaming taxes to fund operations.

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 2014.

Awards and acknowledgements.

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report issued for the fiscal year ended December 31, 2013. This is the 26th 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 Comprehensive Annual 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 gave an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report (PAFR) issued for the fiscal year ended December 31, 2013. 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, 2014. 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.

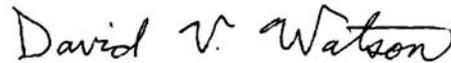
ACKNOWLEDGMENTS

This report could not have been completed without the assistance of the entire administrative staff of the various departments of the City. Special thanks go to Assistant Director of Finance Cathy Malawy for her contributions. We would also like to acknowledge our auditors, Hochschild, Bloom and Company 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,



Mark M. Levin
City Administrator



David V. Watson
Director of Finance

SECTION II - FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

May 28, 2015

Honorable Mayor and Members of the City Council
CITY OF MARYLAND HEIGHTS, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF MARYLAND HEIGHTS, MISSOURI** (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information and introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hochschild, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

This section of the City of Maryland Heights, Missouri's (the City) Comprehensive Annual 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, 2014. We encourage readers to consider the information here in conjunction with additional information that we furnished in our letter of transmittal, which can be found on pages v through ix of this report.

FINANCIAL HIGHLIGHTS

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$173,690,898 ("net position"). Of this amount, \$38,071,760 may be used to meet the City's ongoing obligations to citizens and creditors. (See description below "government-wide statements".)
- The City's total net position increased by \$2,220,280 due to revenues exceeding expenses by that amount.
- As of the close of fiscal year 2014, the City's governmental funds reported combined ending fund balances of \$57,765,248, a decrease of \$577,002 in comparison with the prior year. The amount of unrestricted fund balances available for future spending was \$50,089,101 or 87% of the total. (See description on page 6, "fund financial statements".)
- At the end of 2014, unassigned fund balance for the General Fund was \$25,003,829 or 114% of total General Fund expenditures for the year. This represents a significant decline from \$36,107,860 in 2013. The decline is attributed to the planned use in the 2015 budget of \$11,283,767 of the General Fund's balance to finance part of the cost of a new community center.
- The City's major source of revenue - gaming taxes (taxes on casino gambling) - totaled \$9,705,233 in 2014 or 26.8% of governmental fund total revenues. This represents a decrease of 11.7% from 2013 due to competitive forces and decline in the regional market.

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.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. 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 City does not operate any business-type activities.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund Financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds. The City has no proprietary (enterprise or internal service) 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 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 do-

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

ing 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 three major funds: General Fund, Special Park Fund, and Capital Improvements 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.

The governmental funds financial statements can be found on pages 19 through 22 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds (which the City has none). The statement of fiduciary net position can be found on pages 23 and 24 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 25 through 43 of this report.

Required supplemental information. In addition to the basic financial statements and accompanying notes, certain required supplemental information can be found on pages 45 through 50 of this report.

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. Combining and individual fund statements and schedules can be found on pages 52 through 64 of this report.

Government-wide Financial Analysis

The City presents its financial statements pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

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 exceeded liabilities by \$173,690,898 at the close of the most recent fiscal year ended December 31, 2014.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

By far the largest portion of the City's net position (74%) 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 are *not* available for future spending. The City's investment in its capital assets is reported net of related debt, however, it should be noted that the City had no debt related to its capital assets at the end of 2014. 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. The condensed statement of net position is as follows:

	<u>December 31</u>	
	<u>2014</u>	<u>2013</u>
ASSETS		
Current and other assets	\$ 61,340,930	61,763,426
Capital assets, net	<u>128,450,335</u>	<u>127,128,526</u>
Total Assets	<u>189,791,265</u>	<u>188,891,952</u>
LIABILITIES		
Long-term liabilities	14,121,927	15,267,005
Other liabilities	<u>1,978,440</u>	<u>2,154,329</u>
Total Liabilities	<u>16,100,367</u>	<u>17,421,334</u>
NET POSITION		
Investment in capital assets	128,450,335	127,128,526
Restricted	7,168,803	6,833,469
Unrestricted	<u>38,071,760</u>	<u>37,508,623</u>
Total Net Position	<u>\$173,690,898</u>	<u>171,470,618</u>

An additional portion of the City's net position (4%) represents restricted assets, resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$38,071,760) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the 2014 fiscal year, the City is able to report positive fund balances in all three categories of net position.

Governmental activities. Governmental activities increased the City's net position by \$2,220,280. Key elements of this increase are as follows:

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

	For The Years Ended December 31	
	2014	2013
REVENUES		
Program revenues:		
Charges for services	\$ 4,934,750	4,596,582
Operating grants and contributions	2,186,616	2,278,440
Capital grants and contributions	298,273	1,452,327
General revenues:		
Gaming tax	9,705,233	10,992,201
Sales tax	8,140,037	7,520,275
Utility tax	6,269,831	6,275,959
Property tax from tax increment financing	2,900,725	1,573,760
Other taxes	351,902	342,613
Licenses and permits	1,056,800	1,020,981
Investment earnings	608,117	1,163
Miscellaneous	<u>99,615</u>	<u>822,969</u>
Total Revenues	<u>36,551,899</u>	<u>36,877,270</u>
EXPENSES		
Governmental activities:		
Legislative	149,994	154,813
General administration	2,389,179	2,213,776
Finance and accounting	1,570,216	1,442,245
Community development	2,150,241	1,877,219
Public works	10,996,220	10,581,228
Police services	10,707,304	10,185,805
Judicial	373,615	365,548
Parks and recreation activities	4,815,344	4,729,256
Human services	320,681	304,450
Interest on long-term debt	<u>858,825</u>	<u>953,942</u>
Total Expenses	<u>34,331,619</u>	<u>32,808,282</u>
CHANGES IN NET POSITION	2,220,280	4,068,988
NET POSITION, JANUARY 1	<u>171,470,618</u>	<u>167,401,630</u>
NET POSITION, DECEMBER 31	<u>\$173,690,898</u>	<u>171,470,618</u>

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

SIGNIFICANT CHANGES IN FUND NET POSITION

The increase in net position of \$2,220,280 is attributed to the ongoing situation of revenues exceeding expenses. In 2014, the City's governmental funds decreased \$577k - a difference of \$2.8m between the increase in net position and the decrease of fund balances. The City invested in new capital assets and extending the life of infrastructure assets, an increase of \$1.4m net of depreciation, retirements, and transfers. Further, long-term liabilities decreased by \$1.7m reflecting the payment of principal on tax increment financing bonds.

Expenses for 2014 were 4.6% higher than 2013 while revenues decreased by 0.9%.

Intergovernmental revenues for capital grants decreased \$1.15m in 2014 from 2013 primarily related to grants for specific infrastructure improvements. Notably, the City received \$1.2m in 2013 from grants and reimbursements related to the construction of a new walking/biking trail.

The City's largest revenue source, gaming taxes, which accounts for about 22.6% of the total revenue was down 11.7% (\$1,286,986) from 2013. Increased competition and a decline in the region's demand have resulted in less gaming taxes for the City. In the previous four years the declines have been \$995k, \$463k, \$742k, and \$749k for the years 2013, 2012, 2011 and 2010 respectively.

Charges for services increased \$338k (7.4%) in 2014 primarily due to higher police revenues as a result of an evaluation of the amounts receivable (and deemed collectible) for fines and fees assessed by the municipal court.

Property taxes from tax increment financing activities increased \$1.3m in 2014 primarily due to lower than normal collections in 2013 as a consequence of protested assessments.

Investment income on idle funds totaled \$608,117 in 2014 compared to \$1,163 in 2013. Market conditions for the types of securities the City holds in its portfolio improved in 2014. The City plans to hold the investments to maturity.

Other revenue decreased \$723k in 2014 to \$99.6k. The 2013 revenues include significant payments from insurance claims resulting from the damage incurred to City-owned vehicles and buildings from a major hailstorm.

Total expenses increased \$1.4 million (4.6%) in 2014 primarily due to higher personnel costs (\$911k) and contractual payments for street maintenance and non-capitalized infrastructure outlays for engineering, design, and legal services. Personnel costs increased due to an across-the-board salary increase of 2% effective at the beginning of the year and the implementation in 2014 of a new program that provides sick leave payouts to eligible retiring employees that meet certain age and service levels.

Interest on long-term debt declined 8.7% (\$95k) in 2014 due to lower outstanding debt in the South Heights Tax Increment District.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

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 2014, the City's governmental funds reported combined ending fund balances of \$57,765,248, a decrease of \$577,002 from 2013. Over 43% of the total amount (\$25,003,829) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance consists of nonspendable funds of \$635,736, restricted balances of \$7,035,411, committed balances of \$13,719,147, and assigned balances of \$11,366,125. The assigned balance includes \$11,283,767 of General Fund balance that is planned to be used in 2015 based on the budget; the amount largely represents the use of existing funds to finance part of the cost of the new community center.

The nonspendable funds represent prepaid expenditures existing at December 31, 2014.

The restricted funds are comprised of resources that have enforceable limitations on their use that include debt service (\$1,441,120), promotion of tourism (\$10,806), police services (\$488,368), storm water projects and services (\$3,123,857), police officer training (\$44,075), beautification (\$86,922), and tax increment financing (\$1,707,651).

The committed funds are those that the City Council, through formal action, has imposed constraints on their use and consist of parks and recreation (\$1,865,961), capital improvements (\$8,482,953), streetlighting (\$1,743,692), construction of a community center (\$1,626,541), and specific supplies, services, and other current expenditures (\$49,469).

The assigned balance consists of funds that the City intends to use for specific supplies, services, and other current expenditures (\$32,889) as determined by the City Administrator or department directors pursuant to the City's purchasing regulations. The assigned balance also including amounts for subsequent year's budget as discussed above.

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 its use (primarily one-time capital improvement outlays) and a conservative approach to future commitments. Consequently, the fund balances have increased and the need for external borrowing has been minimal. In 2009 the economic climate began affecting resources and redefining the City's approach for future-year services and capital investment. Consequently, in 2014 the City distributed 58% of the gaming taxes to operating funds (General and Parks) compared to 29% in 2009.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

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 114% of the total General Fund's expenditures. The General Fund's total balance represents 168% of 2014 expenditures.

During 2013 the City created a new fund, the Community Center Construction Fund, to account for the resources that are committed to the construction of a new recreation facility planned to be built over the next two years. Transfers from the General Fund (\$867,500) and the Special Park Fund (\$1,000,000) provide for the anticipated cost of the design of the building. In 2014 the Capital Improvement Fund transferred \$1,000,000 and the General Fund transferred \$250,000. In January 2015 the City issued \$15 million in leasehold revenue bonds, the proceeds of which were deposited to the fund. In 2015 and 2016 transfers from the General Fund totaling about \$12 million will provide funds to complete the project, estimated to cost about \$30 million.

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

- In 2014 the Special Park Fund increased \$602,099, due to revenues exceeding expenditures to a fund balance of \$1,865,961. Revenues in the fund are comprised of a sales tax restricted for parks, user fees, grants, and a portion of the gaming tax.
- The Capital Improvements Fund decreased \$1,729,397 in 2014 due to expenditures and transfers out exceeding revenues and other financing sources. Revenues in the fund consist primarily of a portion (42%) of the gaming tax revenue. Grant revenues related to specific infrastructure projects also are received by the fund. The fund balance at December 31, 2014 was \$8,494,223 of which \$566k has been encumbered for construction projects. Increases and decreases occur in the fund depending on the funding needs of a variety of projects that may be planned over multiple fiscal years.

Fiduciary funds. The City maintains Agency Funds for the monies received and held for the benefit of others for the following purposes:

- Bond deposits held to ensure a defendant's appearance in municipal court,
- Collection and release of the monies for future improvements to ensure completion of the projects, and
- Amounts seized as evidence in criminal cases that will be disbursed as directed by courts.

At the end of 2014, the cash (and cash equivalents) had decreased \$56,892 (to \$649,690) from 2013 due to normal activity. Municipal court bonds represent about 55% of the funds.

During 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 2014, investments had a net increase in value of \$141,916. Benefits totaling \$27,749 were paid during 2014. The fund had \$3,269,333 in assets at December 31, 2014.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

The City conforms to GASB Statement 45 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 final 2014 budget for the City's General Fund represents an original budget of \$22,715,747 with a net increase of \$348,000 to \$23,063,747, an adjustment of 1.5%. The changes during the year were as follows:

- An increase of \$120,000 for higher than expected snow removal costs provided in the public works department.
- An increase of \$120,000 in the administration department budget for legal services costs associated with unanticipated litigation related to a disputed liability with a contractor on a street project.
- An increase of \$30,000 in the community development department as a result of a revised estimate of the personnel costs related to inspection services.
- An increase of \$50,000 to provide funds for a comprehensive plan update in the community development department.
- An increase of \$28,000 in police patrol services to provide additional funds for a new vehicle to replace one damaged in an accident. Insurance proceeds provided part of the funding.

The City revises revenue estimates as information becomes available. General Fund 2014 revenue estimates were decreased by a net of \$1,256,000 (5.5%). The most significant adjustment was a decrease to the gaming taxes account by \$918,000 to recognize the higher than expected decline in casino activity. Also, notably, building permit budgeted revenue was adjusted downward by \$300,000 as private development activity was lower than expected.

Revenue estimates in the General Fund were adjusted related to expenditure changes include an increase to the budget for insurance reimbursements (damaged police vehicle) of \$22,000.

A decrease of \$58,000 in intergovernmental revenues was a result of the cancellation of a contract with the City of St. Louis Police Department to provide a police officer for a special task force.

The General Fund ended the year with budgetary expenditures exceeding revenues by \$79,245. Other financing sources and uses netted an increase in budgetary fund balance of \$316,688. The other financing sources consisted of proceeds from the sale of assets and transfers in from other funds and a transfer out to the Community Center Construction Fund. The result was a total increase in budgetary funds of \$237,443 in 2014 to \$37,063,788 at year-end.

The actual General Fund revenues and expenditures for the year varied slightly from the 2014 amended budget. Total actual revenues were 1.7% (\$354k) higher than budgeted and total actual expenditures were 5.5% (\$1.3m) lower than budgeted. The noteworthy variances were:

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

- Gaming taxes were down 11.7% in 2014, a larger drop than anticipated. The General Fund's share was \$51,174 lower than the amended budget.
- Sales tax was \$217,147 higher than the revised estimate. The last four months of 2014 showed significantly higher collections (up 17%) than 2013. This was unexpected after an increase of 9.5% in the first eight months. The General Fund's sales tax reflects county-wide retail sales.
- Court fees and fines were under the budget forecast by \$43,227 (2.1%) due to less activity in the last half of 2014 than expected.
- Investment income exceeded the budget by \$99,110 as the amount of available investable funds was higher than expected.
- Utilities gross receipts tax revenue was \$60,174 higher than budgeted most of which is attributed to gas utility revenues which were up 5.9% from 2013 due to an extremely cold winter. Most of the residential area in town relies on natural gas as a heat source.
- Expenditures were \$1.3m below budgeted levels in 2014 of which \$565k was comprised of lower than budgeted personnel costs due to employee turnover and \$300k was attributed to lower than expected costs for street maintenance commodities and contractual.

The continued decline of gaming taxes as noted above has necessitated a continued decline of funds available for capital improvements since a higher percentage of the revenue source is needed for operating expenditures. None of the other noted variances indicate any major long-term financial issues for the General Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets as of December 31, 2014 amounts to \$128,450,335 (net of accumulated depreciation). This investment includes land, vehicles, equipment, buildings, park facilities, roads, bridges, and sidewalks. This represents a net increase for the current fiscal year (including additions and deductions) of \$1,321,809 or 1%, more than last year. Improvements to infrastructure increased assets by \$4.35m that was comprised of \$1.38m of storm water projects (of which \$1m was for the Old Heights project) and \$2.97m of roadway improvements (of which \$2.1m was for Reading Avenue). Depreciation of \$2.69m on infrastructure resulted in a net increase in infrastructure assets of \$1.66m in 2014. Construction-in-progress increased by \$151k which includes the additions related to the construction of a new community center of \$1.3m and the Progress Parkway street project of \$1m. Decreases to construction in progress (which were transferred to other categories of assets) include the completion of park improvements (spray pads) of \$400k and the completion of the Reading Avenue street project of \$1.2m. Buildings values decreased \$643,362 from depreciation. Land and improvements increased \$232k from the purchase of land for park expansion (McKelvey Woods) of \$290k, the addition of the spray pads at Vago and Eise parks of \$459k less depreciation of \$518k. The City's capital assets, net of depreciation, are as follows:

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

	December 31	
	2014	2013
Land and improvements	\$ 10,780,712	10,548,263
Buildings	19,290,727	19,934,089
Machinery and equipment	1,334,661	1,574,688
Software	90,343	42,265
Automobiles and trucks	1,812,962	1,704,454
Infrastructure	88,832,717	87,168,025
Construction in progress	<u>6,308,213</u>	<u>6,156,742</u>
Total	<u>\$128,450,335</u>	<u>127,128,526</u>

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the 2014 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 33 through 35 of this report.

Long-term Debt

At the end of 2014, the City had total long-term debt obligations (net of unamortized discount) for governmental activities in the amount of \$12,618,950 compared to \$14,323,650 at the end of 2013. None of the debt outstanding represents general obligation bonds.

	For The Years		
	Ended December 31		
	2014	2013	Percentage
			Change
Governmental activities			
South Heights TIF District bonds	<u>\$12,618,950</u>	<u>14,323,650</u>	(11.9%)

The South Heights TIF bonds represent a special limited obligation of the City that have been issued to refund notes issued to a developer to finance certain redevelopment costs. The City will make principal and interest payments on the bonds based on incremental revenues and taxes attributable to the project site. During 2014 a total of \$1,725,000 less bond discounts of \$20,300 were retired. The resulting balance of bonds less unamortized discount was \$12,618,950.

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 2014 was almost \$100 million. The City has issued no debt covered by this limitation.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2014

Additional information regarding the City's long-term debt can be found in Note F on pages 36 and 37 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The City's 2015 annual budget projects total expenditures of \$70,472,214, including capital investments of \$37,945,000 of which \$27 million is planned for the construction of a new community center.
- The community center project will be funded from accumulated fund balance and a long-term debt issuance in the form of leasehold revenue bonds totaling \$15 million.
- The accumulation of unassigned fund balance will allow the City to maintain service levels without tax increases for the foreseeable future even though revenues have decreased the last few years with modest improvement projected.
- The City's capital improvement plan for 2015 to 2019 projects investment in infrastructure improvements, major equipment, and facilities of about \$54 million. The City has a funding plan to provide resources on a pay-as-you go basis for infrastructure and partial long-term financing for a new community center.
- 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. The current owners purchased the casino and hotel in 2012 and completed major renovations to the facility in 2013. Previously Caesar's Entertainment under the Harrah's brand owned and operated the property that consistently held a major share of the market in the region of casino gambling revenues. However, with major upgrades to a competing casino a few miles away, the opening of new casinos in downtown St. Louis in December 2007 and in the Lemay area of St. Louis County in March 2010, the Maryland Heights facility has continued to lose market share. Further, the region has seen a drop in gaming activity as casinos have become more prevalent throughout the country.
- The drop in gaming taxes and the commitment to a new community center necessitated a plan to allocate resources in a different manner beginning in 2015. All of the proceeds from the City's half-cent sales tax will be used to fund Parks and Recreation activities including debt service on the new community center. Previously 40% of the tax went to fund stormwater projects. State law requires this tax to be used only for parks and/or stormwater services.

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, 2014

	Governmental Activities
ASSETS	
Cash and investments	\$ 53,018,117
Receivables	6,045,385
Prepaid items	635,736
Restricted assets - cash and investments	1,441,120
Net OPEB asset	200,572
Capital assets not being depreciated:	
Land	7,024,526
Infrastructure	32,535,102
Construction in progress	6,308,213
Capital assets, net of accumulated depreciation:	
Buildings	19,290,728
Other improvements	3,756,186
Machinery and equipment	1,334,661
Software	90,343
Automobiles and trucks	1,812,962
Infrastructure	56,297,614
Total Assets	189,791,265
LIABILITIES	
Accounts payable	896,842
Accrued interest	258,425
Accrued payroll	809,415
Unearned revenue	13,758
Noncurrent liabilities:	
Due within one year	1,901,943
Due in more than one year	12,219,984
Total Liabilities	16,100,367
NET POSITION	
Investment in capital assets	128,450,335
Restricted for:	
Debt service	1,441,120
Storm water	3,232,958
Tax increment funds	1,726,942
Other purposes	767,783
Unrestricted	38,071,760
Total Net Position	\$ 173,690,898

See notes to financial statements

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Change In Net Position Governmental Activities
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
Governmental Activities					
Legislative	\$ 149,994	-	-	-	(149,994)
General administration	2,389,179	-	-	-	(2,389,179)
Finance and accounting	1,570,216	-	-	-	(1,570,216)
Community development	2,150,241	754,823	-	-	(1,395,418)
Public works	10,996,220	359,902	1,990,199	233,875	(8,412,244)
Police services	10,707,304	2,495,163	164,612	-	(8,047,529)
Judicial	373,615	209,128	-	-	(164,487)
Parks and recreation	4,815,344	1,115,734	31,805	64,398	(3,603,407)
Human services	320,681	-	-	-	(320,681)
Interest on long-term debt	858,825	-	-	-	(858,825)
Total Governmental Activities	<u>\$ 34,331,619</u>	<u>4,934,750</u>	<u>2,186,616</u>	<u>298,273</u>	<u>(26,911,980)</u>
General Revenues					
Gaming tax					9,705,233
Sales tax					8,140,037
Utility tax					6,269,831
Property tax from tax increment financing					2,900,725
Hotel/motel tax					280,805
Cigarette tax					71,097
Business license tax					654,600
Cable franchise tax					402,200
Investment earnings					608,117
Other					99,615
Total General Revenues					<u>29,132,260</u>
CHANGE IN NET POSITION					2,220,280
NET POSITION, JANUARY 1					<u>171,470,618</u>
NET POSITION, DECEMBER 31					<u>\$ 173,690,898</u>

See notes to financial statements

CITY OF MARYLAND HEIGHTS, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Special Park	Capital Improvements		
ASSETS					
Cash and investments	\$ 35,185,335	1,799,361	8,247,480	7,785,941	53,018,117
Cash and investments - restricted	-	-	-	1,441,120	1,441,120
Accounts receivable:					
Municipal taxes	2,701,155	394,141	374,927	1,605,587	5,075,810
Licenses, permits, fines, and fees	679,175	-	-	-	679,175
Intergovernmental	91,387	127	20,000	-	111,514
Accrued interest	86,100	-	-	1,399	87,499
Other	-	-	91,387	-	91,387
Prepaid items	624,466	-	11,270	-	635,736
Due from other funds	48,419	-	-	-	48,419
	<u>\$ 39,416,037</u>	<u>2,193,629</u>	<u>8,745,064</u>	<u>10,834,047</u>	<u>61,188,777</u>
Total Assets					
LIABILITIES					
Accounts payable	\$ 386,779	82,885	250,841	176,337	896,842
Accrued payroll	706,332	81,132	-	21,951	809,415
Due to other funds	-	-	-	48,419	48,419
Unearned revenue	12,507	-	-	1,251	13,758
	<u>1,105,618</u>	<u>164,017</u>	<u>250,841</u>	<u>247,958</u>	<u>1,768,434</u>
Total Liabilities					
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes	1,315,999	163,651	-	175,445	1,655,095
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	624,466	-	11,270	-	635,736
Restricted for:					
Debt service	-	-	-	1,441,120	1,441,120
Tourism	-	-	-	10,806	10,806
Police forfeitures	-	-	-	488,368	488,368
Storm water	-	-	-	3,123,857	3,123,857
Sewer lateral	-	-	-	137,612	137,612
Police training	-	-	-	44,075	44,075
Beautification	-	-	-	86,922	86,922
Tax increment funds	-	-	-	1,707,651	1,707,651
Committed for:					
Parks	-	1,865,961	-	-	1,865,961
Capital improvements	-	-	8,482,953	-	8,482,953
Streetlighting	-	-	-	1,743,692	1,743,692
Community center construction	-	-	-	1,626,541	1,626,541
Purchases on order	49,469	-	-	-	49,469
Assigned for:					
Purchases on order	32,889	-	-	-	32,889
Subsequent year's budget	11,283,767	-	-	-	11,283,767
Unassigned	25,003,829	-	-	-	25,003,829
	<u>36,994,420</u>	<u>1,865,961</u>	<u>8,494,223</u>	<u>10,410,644</u>	<u>57,765,248</u>
Total Fund Balances					
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 39,416,037</u>	<u>2,193,629</u>	<u>8,745,064</u>	<u>10,834,047</u>	<u>61,188,777</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Total Fund Balances - Total Governmental Funds	\$ 57,765,248
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 \$190,501,947 and the accumulated depreciation is \$62,051,612.	128,450,335
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.	1,655,095
The net OPEB asset is not a financial resource and, therefore, is not reported in the governmental funds.	200,572
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Bonds payable	(12,690,000)
Bond discount	71,050
Interest on long-term debt is recognized as an expenditure when due in the governmental funds.	(258,425)
Compensated absences are not reported in the governmental funds.	<u>(1,502,977)</u>
Total Net Position Of Governmental Activities	<u><u>\$ 173,690,898</u></u>

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Major Funds</u>			<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Special Park</u>	<u>Capital Improvements</u>		
REVENUES					
Municipal taxes	\$ 17,013,398	2,797,557	4,076,198	5,896,078	29,783,231
Licenses, permits, fines, and fees	3,855,393	-	-	-	3,855,393
Charges for services	-	1,146,111	-	-	1,146,111
Intergovernmental	336,473	65,826	233,875	129,302	765,476
Investment income	610,458	-	-	(2,341)	608,117
Other	103,159	-	-	-	103,159
Total Revenues	<u>21,918,881</u>	<u>4,009,494</u>	<u>4,310,073</u>	<u>6,023,039</u>	<u>36,261,487</u>
EXPENDITURES					
Current:					
Legislative	149,994	-	-	-	149,994
General administration	1,768,784	-	-	-	1,768,784
Finance and accounting	1,513,073	-	-	-	1,513,073
Community development	1,632,162	-	-	503,115	2,135,277
Public works	5,205,990	-	-	1,195,491	6,401,481
Police services	10,064,622	-	-	124,432	10,189,054
Judicial	349,818	-	-	-	349,818
Parks and recreation	662,072	3,329,696	-	-	3,991,768
Human services	322,834	-	-	-	322,834
Capital outlay	308,797	77,699	4,637,910	2,430,338	7,454,744
Debt service:					
Principal	-	-	-	1,725,000	1,725,000
Interest	-	-	-	870,150	870,150
Total Expenditures	<u>21,978,146</u>	<u>3,407,395</u>	<u>4,637,910</u>	<u>6,848,526</u>	<u>36,871,977</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(59,265)</u>	<u>602,099</u>	<u>(327,837)</u>	<u>(825,487)</u>	<u>(610,490)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	533,200	-	25,000	1,250,000	1,808,200
Transfers out	(250,000)	-	(1,426,560)	(131,640)	(1,808,200)
Sale of capital assets	33,488	-	-	-	33,488
Total Other Financing Sources (Uses)	<u>316,688</u>	<u>-</u>	<u>(1,401,560)</u>	<u>1,118,360</u>	<u>33,488</u>
NET CHANGE IN FUND BALANCES	257,423	602,099	(1,729,397)	292,873	(577,002)
FUND BALANCES, JANUARY 1	<u>36,736,997</u>	<u>1,263,862</u>	<u>10,223,620</u>	<u>10,117,771</u>	<u>58,342,250</u>
FUND BALANCES, DECEMBER 31	<u>\$ 36,994,420</u>	<u>1,865,961</u>	<u>8,494,223</u>	<u>10,410,644</u>	<u>57,765,248</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, 2014**

Net Change In Fund Balances - Governmental Funds \$ (577,002)

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

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold totaling \$5,876,630 exceeded depreciation (\$4,500,975) in the current period. 1,375,655

The net effect of various transactions involving capital assets:
Cost of disposals, net of accumulated depreciation (53,846)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Increase in unavailable revenue	285,956	
Increase in OPEB asset	12,814	
Net Adjustment	298,770	298,770

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 of bonds payable	1,725,000	
Amortization of bond discount	(20,300)	
Net Adjustment	1,704,700	1,704,700

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		(559,622)
--	--	-----------

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in accrued interest		31,625
------------------------------	--	--------

Change In Net Position Of Governmental Activities \$ 2,220,280

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2014

	Agency Fund	Other Post- employment Benefit Trust Fund
ASSETS		
Cash	\$ 649,690	-
Investments - pooled balanced funds	-	3,269,333
Total Assets	649,690	3,269,333
LIABILITIES		
Deposits held for others	649,690	-
NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS	\$ -	3,269,333

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Other Post- employment Benefit Trust Fund
	<u> </u>
ADDITIONS	
Investment income	\$ 141,916
 DEDUCTIONS	
Benefit payments	<u>27,749</u>
 CHANGE IN NET POSITION	 114,167
 NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS, JANUARY 1	 <u>3,155,166</u>
 NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS, DECEMBER 31	 <u><u>\$ 3,269,333</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, entities which are financially accountable to the City. The City does not currently have any component units.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. 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.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are trust fund financial statements. The Agency Fund's financial statements are reported using the accrual basis of accounting with no economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property

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)

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.

The City reports the following major governmental funds:

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

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

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

Additionally, the City reports the following fund types:

Agency Fund (Court Bonds and Escrow Deposits) -- This fund is used to account for court bonds posted with the City and escrow deposits made to the City for development projects. This is a fiduciary fund type which is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

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)

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.

4. 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.

5. 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.

6. 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 estimated fair 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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets (Continued)

of the initial reporting of those assets through back trending. A percentage of the historical cost was 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.

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

7. Compensated Absences

Vacations accrue to employees based on weeks of continuous service. Upon leaving the employ of the City, an employee is entitled to payment for accrued vacation. A liability for unused vacation compensation has been recorded as long-term debt as it is expected to be paid from future resources. In 2014 the City adopted a revised policy that provides a vested sick leave benefit based on the employee's number of years of service and age.

8. Long-term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, 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.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fund Balance Classification and Policies

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 prepaids).

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, adopts budgets, 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.

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 in order 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, Special Park Fund, and Storm Water 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 uncontrollable market and regulatory factors, the fund balance should be maintained at a higher level than otherwise would be considered.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fund Balance Classification and Policies (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.

10. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to distinguish that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental types. Encumbrances outstanding at year-end are reported as restricted and committed of fund balances since they do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. Encumbrances for the General, Capital Improvements, and Nonmajor Special Revenue Funds amounted to \$82,358, \$565,736, and \$624,194, respectively, at December 31, 2014.

11. 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. All of these interfund balances are due to timing differences. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2015.

12. 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.

13. Deferred Outflows/Inflows of Resources

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from various sources. These amounts are deferred and recognized as an inflow of resources in the period that the amounts have become available.

14. Use of Estimates

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

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, 2014, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of December 31, 2014, the City had the following investments:

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>				<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>More Than 5 Years</u>	
Primary Government						
Federal Agency notes:						
Federal Home Loan Bank	\$ 9,266,259	-	2,867,842	6,398,417	-	AA
Federal Farm Credit Bank	6,470,835	-	-	6,470,835	-	AA
Federal Home Loan Mortgage Corporation	2,974,770	-	1,000,050	1,974,720	-	AA
Federal National Mortgage Association	7,802,045	-	2,407,288	5,394,757	-	AA
Total Federal Agency Notes	26,513,909	-	6,275,180	20,238,729	-	
Repurchase agreement	11,265,000	-	11,265,000	-	-	AA
Certificate of deposit	16,281,000	-	13,366,000	2,915,000	-	N/A
Money market	119,771	119,771	-	-	-	AA
MOSIP	1,087,786	1,087,786	-	-	-	AAA
Total Primary Government	55,267,466	1,207,557	30,906,180	23,153,729	-	
Fiduciary Funds						
Pooled employee Post-employment Benefits Funds	3,269,333	3,269,333	-	-	-	N/A
Grand Total Investments	<u>\$58,536,799</u>	<u>4,476,890</u>	<u>30,906,180</u>	<u>23,153,729</u>	<u>-</u>	

Investments 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.

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.

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.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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 & Poors.

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended December 31, 2014

	Balance December 31 2013	Increases	Decreases	Balance December 31 2014
Capital assets not being depreciated:				
Land	\$ 6,733,998	290,528	-	7,024,526
Right-of-way	20,544,530	245,636	-	20,790,166
Nondepreciable components of streets	11,342,695	402,241	-	11,744,936
Construction in progress	6,156,742	2,854,224	2,702,753	6,308,213
Total Capital Assets Not Being Depreciated	<u>44,777,965</u>	<u>3,792,629</u>	<u>2,702,753</u>	<u>45,867,841</u>
Capital assets being depreciated:				
Buildings	25,185,507	-	-	25,185,507
Other improvements	11,651,254	518,132	-	12,169,386
Machinery and equipment	3,969,622	47,523	5,404	4,011,741
Software	86,006	66,000	-	152,006
Automobiles and trucks	3,843,831	448,169	328,902	3,963,098
Infrastructure	95,445,438	3,706,930	-	99,152,368
Total Capital Assets Being Depreciated	<u>140,181,658</u>	<u>4,786,754</u>	<u>334,306</u>	<u>144,634,106</u>
Less - Accumulated depreciation for:				
Buildings	5,251,418	643,362	-	5,894,780
Other improvements	7,836,989	576,211	-	8,413,200
Machinery and equipment	2,394,934	285,929	3,783	2,677,080
Software	43,741	17,922	-	61,663
Automobiles and trucks	2,139,377	287,436	276,677	2,150,136
Infrastructure	40,164,638	2,690,115	-	42,854,753
Total Accumulated Depre- ciation	<u>57,831,097</u>	<u>4,500,975</u>	<u>280,460</u>	<u>62,051,612</u>
Total Capital Assets Being Depreciated, Net	<u>82,350,561</u>	<u>285,779</u>	<u>53,846</u>	<u>82,582,494</u>
Total Capital Assets, Net	<u>\$ 127,128,526</u>	<u>4,078,408</u>	<u>2,756,599</u>	<u>128,450,335</u>

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended December 31 2014
General administration	\$ 619,913
Finance and accounting	32,391
Community development	11,175
Public works	2,938,539
Police services	137,752
Parks and recreation	761,205
Total	\$ 4,500,975

NOTE D - INTERFUND BALANCES

During the normal course of business, the City has numerous transactions between funds. The outstanding balances at December 31, 2014 is to eliminate a negative cash balance within a fund. The following is a reconciliation of internal receivables and payables:

	December 31, 2014	
	Receivable Fund	Payable Fund
General Fund	\$ 48,419	-
Nonmajor funds	-	48,419
Total	\$ 48,419	48,419

NOTE E - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - INTERFUND TRANSACTIONS (Continued)

**For The Year Ended
December 31, 2014**

Transfers In -

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total
Transfers out:				
Capital Improvements Fund	\$ 426,560	-	1,000,000	1,426,560
Nonmajor governmental funds	106,640	25,000	-	131,640
General Fund	-	-	250,000	250,000
Total	<u>\$ 533,200</u>	<u>25,000</u>	<u>1,250,000</u>	<u>1,808,200</u>

Interfund transfers may be used to: 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

NOTE F - LONG-TERM DEBT

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

	For The Year Ended December 31, 2014			Balance December 31 2014	Amounts Due Within One Year
	Balance December 31 2013	Additions	Reductions		
Tax Increment Bonds, Series 2007A	\$ 9,260,000	-	1,725,000	7,535,000	1,800,000
Tax Increment Bonds, Series 2007B	5,155,000	-	-	5,155,000	-
Bond discount	(91,350)	-	(20,300)	(71,050)	-
Compensated absences payable	943,355	581,510	21,888	1,502,977	101,943
Total Long-term Liabilities	<u>\$ 15,267,005</u>	<u>581,510</u>	<u>1,726,588</u>	<u>14,121,927</u>	<u>1,901,943</u>

The tax increment bonds payable are to be liquidated by the South Heights TIF District Fund. Compensated absences are generally liquidated by the General Fund, Special Park Fund, and Storm Water Fund.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

Tax Increment Bonds

The tax increment bonds were issued by the City, pursuant to a Trust Indenture dated as of December 1, 2007 (South Heights Redevelopment Project). The bonds are special, limited obligations of the City, payable solely from certain pledged revenues, other monies pledged, and a certain guaranty. The application of Economic Activity Tax Revenues to the payment of the series bonds is subject to annual appropriation by the City.

The bonds do not constitute a general obligation of the City and do not constitute an indebtedness of the City, 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 issuance of the bonds shall not, directly, indirectly, or contingently, obligate the City, the State, or any political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

There are two tax increment bonds as follows:

- Tax Increment Refunding Revenue Bonds, Series 2007A, originally \$17,175,000, 5.5%, payable in variable amounts through 2018.
- Subordinate Taxable Tax Increment Refunding Revenue Bonds, Series 2007B, originally \$5,155,000, 7%, payable in variable amounts through 2018.

NOTE G - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

1. Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri.

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, Section 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 Internal Revenue Code Section 401(a) and it is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (Continued)

2. Funding Status

The City's full-time employees do not contribute to LAGERS. The City is required to contribute at an actuarially determined rate; the current rate is 13.6% (general) and 15.2% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

3. Annual Pension Cost (APC)

The City's APC and net pension obligation (NPO) for the current year were as follows:

Annual required contribution (ARC)	\$1,783,695
Interest on NPO	-
Adjustment to ARC	-
APC	<u>1,783,695</u>
Actual contributions	<u>1,783,695</u>
Increase (decrease) in NPO	-
NPO, beginning of year	<u>-</u>
NPO, End Of Year	<u>\$ -</u>

The required contribution was determined as part of the February 29, 2012 and February 28, 2013 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 included: a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; b) projected salary increases of 3.5% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit; d) pre-retirement mortality based on 75% of the RP-2000 Combined Healthy Table set back zero years for men and zero years for women and e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back zero years for men and zero years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period as of February 29, 2012 was 21 years for the General division and 21 years for the Police division. The amortization period as of February 28, 2013 was 21 years for the General division and 20 years for the Police division.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (Continued)

3. Annual Pension Cost (APC) (Continued)

Trend Information

For The Fiscal Years Ended June 30	APC	Percentage Of APC Contributed	NPO
2014	\$1,783,695	100%	\$ -
2013	1,776,979	100	-
2012	1,768,989	100	-

Note: The three-year trend information has been based on employer portion only. However, in prior years, the information has been based on employer and employee portion.

Schedule of Funding Progress

For The Actuarial Valuation Years Ended February 28/29	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability	Unfunded Liability (UAAL)
2014	\$20,613,518	\$24,599,937	\$3,986,419
2013	16,845,390	21,481,514	4,636,124
2012	14,652,413	19,692,574	5,040,161

For The Actuarial Valuation Years Ended February 28/29	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage Of Covered Payroll
2014	84%	\$13,102,872	30%
2013	78	11,867,539	39
2012	74	11,845,801	43

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, contact the LAGERS' office in Jefferson City, MO.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

1. Plan Description

The City sponsors a single-employer post-retirement medical plan which provides medical and prescription benefits to eligible retirees and their spouses.

2. Annual OPEB Cost and Net OPEB Obligations

The City's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45 every two years. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City's annual OPEB cost for the latest actuarial valuation, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

ARC (credit)	(\$ 16,101)
Interest on net OPEB obligations	(12,508)
Adjustment to ARC	<u>20,465</u>
Annual OPEB Cost (Credit)	(8,144)
Contributions made	<u>-</u>
Increase in net obligations	(8,144)
Net OPEB asset, beginning of year	<u>(192,428)</u>
Net OPEB Asset, End Of Year	<u>(\$200,572)</u>

3. Funding Progress and Employer Contributions

Schedule Of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value Of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Accrued Actuarial Asset (AAA)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>AAA As A Percentage Of Covered Payroll</u>
1/1/2014	\$3,155,166	\$2,065,298	\$1,089,868	152.8%	\$12,845,821	8.5%
1/1/2012	2,619,516	1,532,824	1,086,692	170.9	12,360,758	8.8
1/1/2010	2,410,561	1,131,035	1,279,526	213.1	12,215,488	10.5

Schedule Of OPEB Costs And Employer Contributions

<u>For The Years Ended December 31</u>	<u>Contribution Made</u>	<u>OPEB Cost</u>		<u>Annual Required Contribution</u>	<u>OPEB Asset</u>
		<u>Amount</u>	<u>Percent Contributed</u>		
2014	\$ -	(\$8,144)	- %	(\$16,101)	\$200,572
2013	-	(4,670)	-	(6,658)	192,428
2012	-	(4,721)	-	(6,658)	187,758

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

3. Funding Progress and Employer Contributions (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits. The plan does not issue a separate stand-alone financial report.

4. Actuarial Methods and Assumptions

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

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan assets at the valuation date, and an annual healthcare cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 4.5% after three years. The inflation rate assumption is 4%. The actuarial value of assets was determined using a standard balanced portfolio expectation for retirement plan asset returns. The UAAL is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at January 1, 2014 was 15 years.

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 2014.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE J - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the assets and liabilities of the deferred compensation plan are not included in the City's basic financial statements.

NOTE K - 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 L - PLEDGED REVENUES

The City has pledged a portion of future property and sales tax revenues to repay \$19,640,000 in tax increment revenue bonds issued in December 2007 to finance the South Heights Redevelopment Project. The bonds are payable solely from the incremental property and sales tax revenue generated by increased property values and retail sales in the redevelopment area. Incremental tax revenues were projected to produce 100% of the debt service requirements over the life of the bonds. Total projected principal and interest remaining on the bonds is \$14,551,288, payable through 2018. For the current year \$2,595,150 of principal and interest was paid on the bonds and total incremental tax revenues were \$2,895,176.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE M - RESTRICTED NET POSITION

The government-wide statement of net position reports \$7,168,803 of restricted net position, of which \$5,727,683 is restricted by enabling legislation.

NOTE N - SUBSEQUENT EVENTS

The City issued new bonds in the amount of \$15,000,000 for the construction of a new community center. Semi-annual payments are due each April and October 1. The City also approved a contract for \$22,795,000 for construction of the new community center.

NOTE O - FUTURE ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, will require the City to record UAAL on the government-wide statement of net position. UAAL equals the difference between the total pension liability and the value of assets set aside in a pension plan to pay benefits. GASB 68 may also require changes to the projection of benefit payments and the rate used to discount the projected benefit payments. GASB 68 will be effective for the City for the year ending December 31, 2015.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Municipal Taxes				
Gaming	\$ 6,210,000	5,292,000	5,240,826	(51,174)
Utilities gross receipts	5,640,000	5,640,000	5,700,174	60,174
Sales tax	3,800,000	3,800,000	4,017,147	217,147
Cigarette	72,000	72,000	69,924	(2,076)
Gasoline and motor vehicle tax	970,000	1,000,000	1,040,595	40,595
County road refund	1,000,000	1,000,000	944,732	(55,268)
Total Municipal Taxes	<u>17,692,000</u>	<u>16,804,000</u>	<u>17,013,398</u>	<u>209,398</u>
Licenses, Permits, Fines, and Fees				
Court fines and fees	2,100,000	2,100,000	2,056,723	(43,277)
Merchant licenses	630,000	630,000	634,113	4,113
Charges for services	1,069,500	734,500	762,357	27,857
Cable TV franchise	380,000	380,000	402,200	22,200
Total Licenses, Permits, Fines, And Fees	<u>4,179,500</u>	<u>3,844,500</u>	<u>3,855,393</u>	<u>10,893</u>
Intergovernmental	<u>399,120</u>	<u>344,120</u>	<u>336,473</u>	<u>(7,647)</u>
Investment Income	<u>275,000</u>	<u>275,000</u>	<u>374,110</u>	<u>99,110</u>
Other				
Miscellaneous	71,000	71,000	113,079	42,079
Insurance reimbursement	-	22,000	22,158	158
Total Other	<u>71,000</u>	<u>93,000</u>	<u>135,237</u>	<u>42,237</u>
Total Revenues	<u>22,616,620</u>	<u>21,360,620</u>	<u>21,714,611</u>	<u>353,991</u>
EXPENDITURES				
Legislative				
Mayor's office	21,667	22,667	22,196	(471)
City council	130,461	129,461	127,798	(1,663)
Total Legislative	<u>152,128</u>	<u>152,128</u>	<u>149,994</u>	<u>(2,134)</u>
General Administration				
City clerk	266,233	266,233	262,523	(3,710)
Legal services	194,211	314,211	306,815	(7,396)
City administrator's office	441,417	441,417	423,189	(18,228)
Human resources	203,677	203,677	187,650	(16,027)

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
General Administration (Continued)				
Communications	205,341	205,341	190,740	(14,601)
Central services	102,175	102,175	92,239	(9,936)
Risk management	350,650	350,650	333,673	(16,977)
Total General Administration	<u>1,763,704</u>	<u>1,883,704</u>	<u>1,796,829</u>	<u>(86,875)</u>
Finance and Accounting				
Finance	514,781	514,781	505,354	(9,427)
Geographic information services	249,765	249,765	227,195	(22,570)
Information technology	875,156	875,156	771,772	(103,384)
Total Finance And Accounting	<u>1,639,702</u>	<u>1,639,702</u>	<u>1,504,321</u>	<u>(135,381)</u>
Community Development				
Community development administration	289,055	289,055	257,973	(31,082)
Inspections	1,021,324	1,051,324	995,404	(55,920)
Economic development	2,175	2,175	500	(1,675)
Planning and zoning	403,250	453,250	427,104	(26,146)
Total Community Development	<u>1,715,804</u>	<u>1,795,804</u>	<u>1,680,981</u>	<u>(114,823)</u>
Public Works				
Administration and engineering	578,381	578,381	547,174	(31,207)
Roads and bridges	2,085,691	2,205,691	1,868,016	(337,675)
Trash hauling	1,827,000	1,827,000	1,826,721	(279)
Vehicle and equipment maintenance	514,759	514,759	486,129	(28,630)
Capital projects management	590,304	590,304	553,027	(37,277)
Total Public Works	<u>5,596,135</u>	<u>5,716,135</u>	<u>5,281,067</u>	<u>(435,068)</u>
Police Services				
Police administration	325,620	325,620	324,772	(848)
Patrol	5,197,033	5,225,033	5,099,706	(125,327)
Investigations	1,595,783	1,595,783	1,422,634	(173,149)
Communications	948,575	948,575	924,025	(24,550)
Community services	999,335	999,335	986,106	(13,229)
Community response unit	1,295,612	1,295,612	1,244,260	(51,352)
Police records	176,808	176,808	175,166	(1,642)
Total Police Services	<u>10,538,766</u>	<u>10,566,766</u>	<u>10,176,669</u>	<u>(390,097)</u>

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Judicial				
Municipal court	378,613	378,613	349,818	(28,795)
Parks and Recreation				
Government Center maintenance	600,801	600,801	531,343	(69,458)
Human Services	330,094	330,094	322,834	(7,260)
Total Expenditures	22,715,747	23,063,747	21,793,856	(1,269,891)
REVENUES OVER (UNDER)				
EXPENDITURES	(99,127)	(1,703,127)	(79,245)	1,623,882
OTHER FINANCING SOURCES (USES)				
Transfers in	580,000	580,000	533,200	(46,800)
Transfers out	-	(250,000)	(250,000)	-
Sale of capital assets	60,000	60,000	33,488	(26,512)
Total Other Financing Sources (Uses)	640,000	390,000	316,688	(73,312)
NET CHANGE IN FUND BALANCE	\$ 540,873	(1,313,127)	237,443	(1,550,570)
FUND BALANCE, JANUARY 1			36,826,345	
FUND BALANCE, DECEMBER 31			\$ 37,063,788	

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SPECIAL PARK FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Municipal Taxes				
Sales	\$ 2,220,000	2,220,000	2,409,348	189,348
Gaming	460,000	392,000	388,209	(3,791)
Total Municipal Taxes	2,680,000	2,612,000	2,797,557	185,557
Charges for services	1,150,000	1,100,000	1,146,111	46,111
Intergovernmental	25,000	75,000	65,826	(9,174)
Total Revenues	3,855,000	3,787,000	4,009,494	222,494
 EXPENDITURES				
Parks and Recreation				
Park administration	307,350	307,350	300,158	(7,192)
Recreation	764,606	755,506	732,988	(22,518)
Community Centre	887,814	883,814	827,069	(56,745)
Aquaport	543,020	551,120	550,822	(298)
Park maintenance	982,266	979,266	901,206	(78,060)
Park capital project	-	8,000	7,064	(936)
Total Expenditures	3,485,056	3,485,056	3,319,307	(165,749)
 NET CHANGE IN FUND BALANCE	 \$ 369,944	 301,944	 690,187	 388,243
 FUND BALANCE, JANUARY 1			 1,175,774	
 FUND BALANCE, DECEMBER 31			 \$ 1,865,961	

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY BASIS OF ACCOUNTING
FOR THE YEAR ENDED DECEMBER 31, 2014

The budget is prepared on the modified accrual basis, except that encumbrances and advances to other funds 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	Capital Improvements	Nonmajor
Fund balances:				
GAAP basis	\$ 36,994,420	1,865,961	8,494,223	10,410,644
Encumbrances outstanding at:				
December 31, 2014	(82,358)	-	(565,736)	(624,194)
Investments, FMV adjustment	151,726	-	-	-
Budget Basis	<u>\$ 37,063,788</u>	<u>1,865,961</u>	<u>7,928,487</u>	<u>9,786,450</u>
Net change in fund balances:				
GAAP basis	\$ 257,423	602,099	(1,729,397)	292,873
Encumbrances outstanding at:				
December 31, 2013	298,726	88,088	1,898,235	2,885,225
December 31, 2014	(82,358)	-	(565,736)	(624,194)
Investment, FMV adjustment	(236,348)	-	-	-
Budget Basis	<u>\$ 237,443</u>	<u>690,187</u>	<u>(396,898)</u>	<u>2,553,904</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2014

EXPLANATION OF BUDGETARY PROCESS

City ordinances require a legally adopted annual budget be prepared for the General Fund, all Special Revenue Funds (except the Employee Supplemental Benefits Special Revenue 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.

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.

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 streetlighting.

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.

Storm Water Fund -- This fund was established in 1997. It accounts for a portion of the revenues derived from a one-half cent sales tax approved by voters in 1996. Expenditures are restricted for storm water activities.

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-ways.

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

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.

CAPITAL PROJECTS FUND

Community Center Construction Fund -- This fund accounts for the construction of a new community center and related revenues and other sources of funds.

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR FUNDS
DECEMBER 31, 2014

	Street- light	Tourism Tax	Police Forfeitures	Storm Water	Sewer Lateral	Police Training
ASSETS						
Cash and investments	\$ 1,731,335	-	493,076	3,071,642	82,676	44,075
Cash and investments - restricted	-	-	-	-	-	-
Accounts receivable:						
Municipal taxes	97,067	59,225	-	238,956	84,523	-
Accrued interest	-	-	-	-	-	-
	-	-	-	-	-	-
Total Assets	\$ 1,828,402	59,225	493,076	3,310,598	167,199	44,075
LIABILITIES						
Accounts payable	\$ 36,406	-	4,708	55,689	29,587	-
Accrued payroll	-	-	-	21,951	-	-
Due to other funds	-	48,419	-	-	-	-
Unearned revenue	1,251	-	-	-	-	-
	37,657	48,419	4,708	77,640	29,587	-
Total Liabilities	37,657	48,419	4,708	77,640	29,587	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - taxes	47,053	-	-	109,101	-	-
	47,053	-	-	109,101	-	-
FUND BALANCES						
Restricted for:						
Debt service	-	-	-	-	-	-
Tourism	-	10,806	-	-	-	-
Police forfeitures	-	-	488,368	-	-	-
Storm water	-	-	-	3,123,857	-	-
Sewer lateral	-	-	-	-	137,612	-
Police training	-	-	-	-	-	44,075
Beautification	-	-	-	-	-	-
Tax increment funds	-	-	-	-	-	-
Committed for:						
Streetslighting	1,743,692	-	-	-	-	-
Community center construction	-	-	-	-	-	-
	1,743,692	10,806	488,368	3,123,857	137,612	44,075
Total Fund Balances	1,743,692	10,806	488,368	3,123,857	137,612	44,075
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 1,828,402	59,225	493,076	3,310,598	167,199	44,075

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING
BALANCE SHEET - NONMAJOR FUNDS
DECEMBER 31, 2014

	<u>Beautifi- cation</u>	<u>South Heights TIF</u>	<u>Dorsett TIF</u>	<u>Special Revenue Total</u>	<u>Community Center Construction</u>	<u>Total</u>
ASSETS						
Cash and investments	86,922	414,551	185,215	6,109,492	1,676,449	7,785,941
Cash and investments - restricted	-	1,441,120	-	1,441,120	-	1,441,120
Accounts receivable:						
Municipal taxes	-	1,016,391	109,425	1,605,587	-	1,605,587
Accrued interest	-	1,399	-	1,399	-	1,399
 Total Assets	<u>86,922</u>	<u>2,873,461</u>	<u>294,640</u>	<u>9,157,598</u>	<u>1,676,449</u>	<u>10,834,047</u>
 LIABILITIES						
Accounts payable	-	-	39	126,429	49,908	176,337
Accrued payroll	-	-	-	21,951	-	21,951
Due to other funds	-	-	-	48,419	-	48,419
Unearned revenue	-	-	-	1,251	-	1,251
Total Liabilities	<u>-</u>	<u>-</u>	<u>39</u>	<u>198,050</u>	<u>49,908</u>	<u>247,958</u>
 DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - taxes	<u>-</u>	<u>19,291</u>	<u>-</u>	<u>175,445</u>	<u>-</u>	<u>175,445</u>
 FUND BALANCES						
Restricted for:						
Debt service	-	1,441,120	-	1,441,120	-	1,441,120
Tourism	-	-	-	10,806	-	10,806
Police forfeitures	-	-	-	488,368	-	488,368
Storm water	-	-	-	3,123,857	-	3,123,857
Sewer lateral	-	-	-	137,612	-	137,612
Police training	-	-	-	44,075	-	44,075
Beautification	86,922	-	-	86,922	-	86,922
Tax increment funds	-	1,413,050	294,601	1,707,651	-	1,707,651
Committed for:						
Streetlighting	-	-	-	1,743,692	-	1,743,692
Community center construction	-	-	-	-	1,626,541	1,626,541
Total Fund Balances	<u>86,922</u>	<u>2,854,170</u>	<u>294,601</u>	<u>8,784,103</u>	<u>1,626,541</u>	<u>10,410,644</u>
 Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>86,922</u>	<u>2,873,461</u>	<u>294,640</u>	<u>9,157,598</u>	<u>1,676,449</u>	<u>10,834,047</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, 2014

	<u>Street- light</u>	<u>Tourism Tax</u>	<u>Police Forfeitures</u>	<u>Storm Water</u>	<u>Sewer Lateral</u>	<u>Police Training</u>
REVENUES						
Municipal taxes	\$ 570,032	280,805	-	1,606,232	359,902	-
Intergovernmental	-	-	117,401	-	-	11,901
Investment income	-	-	5,062	-	-	-
Total Revenues	<u>570,032</u>	<u>280,805</u>	<u>122,463</u>	<u>1,606,232</u>	<u>359,902</u>	<u>11,901</u>
EXPENDITURES						
Current:						
General administration	-	-	-	-	-	-
Finance and accounting	-	-	-	-	-	-
Community development	-	279,678	-	-	-	-
Public works	427,430	-	-	546,385	221,676	-
Police services	-	-	114,231	-	-	10,201
Judicial	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital outlay	28,932	-	21,333	988,621	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>456,362</u>	<u>279,678</u>	<u>135,564</u>	<u>1,535,006</u>	<u>221,676</u>	<u>10,201</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>113,670</u>	<u>1,127</u>	<u>(13,101)</u>	<u>71,226</u>	<u>138,226</u>	<u>1,700</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(106,640)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(106,640)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	113,670	1,127	(13,101)	(35,414)	138,226	1,700
FUND BALANCES, JANUARY 1	<u>1,630,022</u>	<u>9,679</u>	<u>501,469</u>	<u>3,159,271</u>	<u>(614)</u>	<u>42,375</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,743,692</u>	<u>10,806</u>	<u>488,368</u>	<u>3,123,857</u>	<u>137,612</u>	<u>44,075</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, 2014

	Beautifi- cation	South Heights TIF	Dorsett TIF	Special Revenue Total	Community Center Construction	Total
REVENUES						
Municipal taxes	20,487	2,895,176	163,444	5,896,078	-	5,896,078
Intergovernmental	-	-	-	129,302	-	129,302
Investment income	-	(7,403)	-	(2,341)	-	(2,341)
Total Revenues	<u>20,487</u>	<u>2,887,773</u>	<u>163,444</u>	<u>6,023,039</u>	<u>-</u>	<u>6,023,039</u>
EXPENDITURES						
Current:						
General administration	-	-	-	-	-	-
Finance and accounting	-	-	-	-	-	-
Community development	-	50,787	172,650	503,115	-	503,115
Public works	-	-	-	1,195,491	-	1,195,491
Police services	-	-	-	124,432	-	124,432
Judicial	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	1,038,886	1,391,452	2,430,338
Debt service:						
Principal	-	1,725,000	-	1,725,000	-	1,725,000
Interest	-	870,150	-	870,150	-	870,150
Total Expenditures	<u>-</u>	<u>2,645,937</u>	<u>172,650</u>	<u>5,457,074</u>	<u>1,391,452</u>	<u>6,848,526</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>20,487</u>	<u>241,836</u>	<u>(9,206)</u>	<u>565,965</u>	<u>(1,391,452)</u>	<u>(825,487)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	1,250,000	1,250,000
Transfers out	(25,000)	-	-	(131,640)	-	(131,640)
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(131,640)</u>	<u>1,250,000</u>	<u>1,118,360</u>
NET CHANGE IN FUND BALANCES	(4,513)	241,836	(9,206)	434,325	(141,452)	292,873
FUND BALANCES, JANUARY 1	91,435	2,612,334	303,807	8,349,778	1,767,993	10,117,771
FUND BALANCES, DECEMBER 31	<u>86,922</u>	<u>2,854,170</u>	<u>294,601</u>	<u>8,784,103</u>	<u>1,626,541</u>	<u>10,410,644</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, 2014

	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	\$ 564,000	570,032	6,032	270,000	280,805	10,805	-	-	-
Intergovernmental	-	-	-	-	-	-	50,000	117,401	67,401
Investment income	-	-	-	-	-	-	-	5,062	5,062
Other	-	710	710	-	-	-	-	-	-
Total Revenues	<u>564,000</u>	<u>570,742</u>	<u>6,742</u>	<u>270,000</u>	<u>280,805</u>	<u>10,805</u>	<u>50,000</u>	<u>122,463</u>	<u>72,463</u>
EXPENDITURES									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	279,679	279,678	(1)	-	-	-
Public works:									
Streetlight	489,400	427,430	(61,970)	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	196,000	68,679	(127,321)	-	-	-	-	-	-
Millwell	-	-	-	-	-	-	-	-	-
Small storm water projects	-	-	-	-	-	-	-	-	-
Essex Tributary	-	-	-	-	-	-	-	-	-
Project monitoring	-	-	-	-	-	-	-	-	-
Fee Fee Road to Smiley	-	-	-	-	-	-	-	-	-
12131 Diane Marie	-	-	-	-	-	-	-	-	-
Westglen Park Drive	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	126,265	114,231	(12,034)
Capital outlay	-	-	-	-	-	-	22,050	21,333	(717)
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>685,400</u>	<u>496,109</u>	<u>(189,291)</u>	<u>279,679</u>	<u>279,678</u>	<u>(1)</u>	<u>148,315</u>	<u>135,564</u>	<u>(12,751)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(121,400)</u>	<u>74,633</u>	<u>196,033</u>	<u>(9,679)</u>	<u>1,127</u>	<u>10,806</u>	<u>(98,315)</u>	<u>(13,101)</u>	<u>85,214</u>
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>\$ (121,400)</u>	<u>74,633</u>	<u>196,033</u>	<u>(9,679)</u>	<u>1,127</u>	<u>10,806</u>	<u>(98,315)</u>	<u>(13,101)</u>	<u>85,214</u>
FUND BALANCES, JANUARY 1		<u>1,600,380</u>			<u>9,679</u>			<u>501,469</u>	
FUND BALANCES, DECEMBER 31		<u>\$ 1,675,013</u>			<u>10,806</u>			<u>488,368</u>	

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, 2014

	Storm Water			Sewer Lateral			Police Training		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	1,480,000	1,606,232	126,232	225,000	359,902	134,902	-	-	-
Intergovernmental	-	-	-	-	-	-	13,000	11,901	(1,099)
Investment income	-	-	-	-	-	-	-	-	-
Other	-	87,196	87,196	-	-	-	-	-	-
Total Revenues	<u>1,480,000</u>	<u>1,693,428</u>	<u>213,428</u>	<u>225,000</u>	<u>359,902</u>	<u>134,902</u>	<u>13,000</u>	<u>11,901</u>	<u>(1,099)</u>
EXPENDITURES									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Storm water	563,679	546,385	(17,294)	-	-	-	-	-	-
Sewer lateral	-	-	-	222,000	221,676	(324)	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Millwell	10,000	9,641	(359)	-	-	-	-	-	-
Small storm water projects	276,000	95,977	(180,023)	-	-	-	-	-	-
Essex Tributary	500,000	75	(499,925)	-	-	-	-	-	-
Project monitoring	25,000	-	(25,000)	-	-	-	-	-	-
Fee Fee Road to Smiley	1,225,000	-	(1,225,000)	-	-	-	-	-	-
12131 Diane Marie	115,000	2,750	(112,250)	-	-	-	-	-	-
Westglen Park Drive	85,000	1,213	(83,787)	-	-	-	-	-	-
Police services	-	-	-	-	-	-	13,600	10,201	(3,399)
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>2,799,679</u>	<u>656,041</u>	<u>(2,143,638)</u>	<u>222,000</u>	<u>221,676</u>	<u>(324)</u>	<u>13,600</u>	<u>10,201</u>	<u>(3,399)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,319,679)</u>	<u>1,037,387</u>	<u>2,357,066</u>	<u>3,000</u>	<u>138,226</u>	<u>135,226</u>	<u>(600)</u>	<u>1,700</u>	<u>2,300</u>
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	<u>(115,000)</u>	<u>(106,640)</u>	<u>(8,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(1,434,679)</u>	<u>930,747</u>	<u>2,365,426</u>	<u>3,000</u>	<u>138,226</u>	<u>135,226</u>	<u>(600)</u>	<u>1,700</u>	<u>2,300</u>
FUND BALANCES, JANUARY 1		<u>2,071,681</u>			<u>(614)</u>			<u>42,375</u>	
FUND BALANCES, DECEMBER 31		<u>3,002,428</u>			<u>137,612</u>			<u>44,075</u>	

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, 2014

	Beautification			South Heights TIF			Dorsett TIF		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	11,000	20,487	9,487	3,100,000	2,895,176	(204,824)	200,000	163,444	(36,556)
In	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	(7,403)	(7,403)	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>11,000</u>	<u>20,487</u>	<u>9,487</u>	<u>3,100,000</u>	<u>2,887,773</u>	<u>(212,227)</u>	<u>200,000</u>	<u>163,444</u>	<u>(36,556)</u>
EXPENDITURES									
Current:									
Community development:									
Beautification	50,000	-	(50,000)	-	-	-	-	-	-
Economic development	-	-	-	105,000	50,787	(54,213)	200,000	185,150	(14,850)
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Millwell	-	-	-	-	-	-	-	-	-
Small storm water projects	-	-	-	-	-	-	-	-	-
Essex Tributary	-	-	-	-	-	-	-	-	-
Project monitoring	-	-	-	-	-	-	-	-	-
Fee Fee Road to Smiley	-	-	-	-	-	-	-	-	-
12131 Diane Marie	-	-	-	-	-	-	-	-	-
Westglen Park Drive	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	1,940,000	1,725,000	(215,000)	-	-	-
Interest	-	-	-	1,055,000	870,150	(184,850)	-	-	-
Total Expenditures	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>3,100,000</u>	<u>2,645,937</u>	<u>(454,063)</u>	<u>200,000</u>	<u>185,150</u>	<u>(14,850)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(39,000)</u>	<u>20,487</u>	<u>59,487</u>	<u>-</u>	<u>241,836</u>	<u>241,836</u>	<u>-</u>	<u>(21,706)</u>	<u>(21,706)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u><u>(64,000)</u></u>	<u><u>(4,513)</u></u>	<u><u>59,487</u></u>	<u><u>-</u></u>	<u><u>241,836</u></u>	<u><u>241,836</u></u>	<u><u>-</u></u>	<u><u>(21,706)</u></u>	<u><u>(21,706)</u></u>
FUND BALANCES, JANUARY 1		<u>91,435</u>			<u>2,612,334</u>			<u>303,807</u>	
FUND BALANCES, DECEMBER 31		<u><u>86,922</u></u>			<u><u>2,854,170</u></u>			<u><u>282,101</u></u>	

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, 2014

	Total Special Revenue Funds			Community Center Construction			Total Nonmajor Funds		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	5,850,000	5,896,078	46,078	-	-	-	5,850,000	5,896,078	46,078
Intergovernmental	63,000	129,302	66,302	-	-	-	63,000	129,302	66,302
Investment income	-	(2,341)	(2,341)	-	-	-	-	(2,341)	(2,341)
Other	-	87,906	87,906	-	-	-	-	87,906	87,906
Total Revenues	5,913,000	6,110,945	197,945	-	-	-	5,913,000	6,110,945	197,945
EXPENDITURES									
Current:									
Community development:									
Beautification	50,000	-	(50,000)	-	-	-	50,000	-	(50,000)
Economic development	305,000	235,937	(69,063)	-	-	-	305,000	235,937	(69,063)
Tourism	279,679	279,678	(1)	-	-	-	279,679	279,678	(1)
Public works:									
Streetlight	489,400	427,430	(61,970)	-	-	-	489,400	427,430	(61,970)
Storm water	563,679	546,385	(17,294)	-	-	-	563,679	546,385	(17,294)
Sewer lateral	222,000	221,676	(324)	-	-	-	222,000	221,676	(324)
Public works projects:									
Streetlighting	196,000	68,679	(127,321)	-	-	-	196,000	68,679	(127,321)
Millwell	10,000	9,641	(359)	-	-	-	10,000	9,641	(359)
Small storm water projects	276,000	95,977	(180,023)	-	-	-	276,000	95,977	(180,023)
Essex Tributary	500,000	75	(499,925)	-	-	-	500,000	75	(499,925)
Project monitoring	25,000	-	(25,000)	-	-	-	25,000	-	(25,000)
Fee Fee Road to Smiley	1,225,000	-	(1,225,000)	-	-	-	1,225,000	-	(1,225,000)
12131 Diane Marie	115,000	2,750	(112,250)	-	-	-	115,000	2,750	(112,250)
Westglen Park Drive	85,000	1,213	(83,787)	-	-	-	85,000	1,213	(83,787)
Police services	139,865	124,432	(15,433)	-	-	-	139,865	124,432	(15,433)
Capital outlay	22,050	21,333	(717)	250,000	45,045	(204,955)	272,050	66,378	(205,672)
Debt service:									
Principal	1,940,000	1,725,000	(215,000)	-	-	-	1,940,000	1,725,000	(215,000)
Interest	1,055,000	870,150	(184,850)	-	-	-	1,055,000	870,150	(184,850)
Total Expenditures	7,498,673	4,630,356	(2,868,317)	250,000	45,045	(204,955)	7,748,673	4,675,401	(3,073,272)
REVENUES OVER (UNDER) EXPENDITURES	(1,585,673)	1,480,589	3,066,262	(250,000)	(45,045)	204,955	(1,835,673)	1,435,544	3,271,217
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	(140,000)	(131,640)	(8,360)	1,250,000	1,250,000	-	1,110,000	1,118,360	8,360
NET CHANGE IN FUND BALANCES	<u>(1,725,673)</u>	1,348,949	<u>3,074,622</u>	<u>1,000,000</u>	1,204,955	<u>204,955</u>	<u>(725,673)</u>	2,553,904	<u>3,279,577</u>
FUND BALANCES, JANUARY 1		7,232,546			-			7,232,546	
FUND BALANCES, DECEMBER 31		<u>8,581,495</u>			<u>1,204,955</u>			<u>9,786,450</u>	

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - MAJOR
GOVERNMENTAL FUNDS - BUDGETARY INFORMATION

CAPITAL PROJECTS MAJOR FUND

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Revised Budget	Actual	Over (Under) Budget
REVENUES			
Municipal taxes - gaming	\$ 4,116,000	4,076,198	(39,802)
Intergovernmental	128,500	233,875	105,375
Unspent encumbrances	-	234,973	234,973
Total Revenues	4,244,500	4,545,046	300,546
EXPENDITURES			
Public works projects:			
Annual slab/sidewalk replacement	1,144,000	992,150	(151,850)
Right-of-way enhancement program	200,000	69,320	(130,680)
Fee Fee Road	815,000	193,522	(621,478)
Park enhancements	100,000	11,539	(88,461)
Progress Parkway	856,000	855,604	(396)
Sidewalk construction	360,000	357,287	(2,713)
Regional walking/biking trail system	300,000	37,423	(262,577)
Reading Avenue phase II	65,300	64,992	(308)
Driftwood Lane	1,000	591	(409)
Adie Road phase III	350,000	67,921	(282,079)
Adie Road phase IV	100,000	1,500	(98,500)
Arrow Heights/Foxwood Roadway	130,000	57,386	(72,614)
Midland Avenue reconstruction	203,000	194,997	(8,003)
Traffic light updates	200,000	152,156	(47,844)
Public works capital equipment	180,000	145,997	(34,003)
Grissom Drive	325,000	-	(325,000)
Park expansion	300,000	290,528	(9,472)
Government center modifications	100,000	47,471	(52,529)
Total Expenditures	5,729,300	3,540,384	(2,188,916)
REVENUES OVER (UNDER) EXPENDITURES	(1,484,800)	1,004,662	2,489,462
OTHER FINANCING USES			
Transfers in	25,000	25,000	-
Transfers out	(1,465,000)	(1,426,560)	(38,440)
NET CHANGE IN FUND BALANCE	\$ (2,924,800)	(396,898)	2,527,902
FUND BALANCE, JANUARY 1		8,325,385	
FUND BALANCE, DECEMBER 31		\$ 7,928,487	

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND TYPES

The Agency Fund is used to account for assets held by the City in a trustee capacity.

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance December 31 2013	Additions	Deletions	Balance December 31 2014
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 706,582	579,966	636,858	649,690
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Accounts payable	\$ 1,840	174,757	176,597	-
Deposits held for others	704,742	578,174	633,226	649,690
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	\$ 706,582	752,931	809,823	649,690
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SECTION III - STATISTICAL SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI

STATISTICAL

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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	67 - 71
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources.	72 - 76
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.	77 - 80
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.	81 - 82
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.	83 - 85

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment in capital assets	\$ 75,219,092	82,956,251	87,864,303	99,248,533	111,096,079	118,000,485	123,613,819	125,459,752	127,128,526	128,450,335
Restricted for debt service	2,637,418	2,798,126	4,309,824	2,785,954	1,439,637	1,472,669	1,534,492	1,526,465	1,471,964	1,441,120
Restricted for other purposes	4,078,160	4,882,874	4,949,760	4,825,703	5,010,742	4,469,619	7,197,959	5,888,292	5,361,505	5,727,683
Unrestricted	25,351,150	30,812,213	33,151,403	37,280,872	27,373,701	25,313,159	29,269,007	34,527,121	37,508,623	38,071,760
Total Net Position	<u>\$ 107,285,820</u>	<u>121,449,464</u>	<u>130,275,290</u>	<u>144,141,062</u>	<u>144,920,159</u>	<u>149,255,932</u>	<u>161,615,277</u>	<u>167,401,630</u>	<u>171,470,618</u>	<u>173,690,898</u>

2012 was the first year of GASB 63 implementation. Prior years have not been restated.

CITY OF MARYLAND HEIGHTS, MISSOURI

Change In Net Position

Last Ten Fiscal Years
(Accrual basis of accounting)

	For The Years Ended December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EXPENSES										
Legislative	\$ 131,595	141,404	139,663	250,661	143,972	139,354	151,333	146,509	154,813	149,994
General administration	1,549,858	1,341,306	1,658,221	1,833,453	2,250,674	2,257,650	2,115,259	2,115,459	2,213,776	2,389,179
Finance and accounting	1,265,943	1,148,425	1,240,380	1,260,961	1,219,325	1,324,808	1,285,228	1,281,654	1,442,245	1,570,216
Community development	2,006,319	1,322,292	4,939,418	2,265,178	1,832,914	1,930,471	2,159,549	2,096,746	1,877,219	2,150,241
Public works	7,937,563	8,527,596	9,534,968	9,565,769	14,003,476	14,331,035	9,225,177	10,432,409	10,581,228	10,996,220
Police services	8,112,693	8,586,081	9,338,436	9,335,007	9,684,851	9,755,323	9,964,544	10,041,388	10,185,805	10,707,304
Judicial	238,793	256,874	298,553	340,239	364,290	369,343	384,507	404,990	365,548	373,615
Parks and recreation	3,858,671	3,812,626	4,515,212	4,629,773	4,791,499	4,693,411	4,285,803	4,439,702	4,729,256	4,815,344
Human services	257,888	270,752	277,368	290,000	297,482	335,929	345,412	308,068	304,450	320,681
Interest on long-term debt	1,534,931	1,607,220	1,449,444	1,824,618	1,631,219	1,262,272	1,206,319	1,044,816	953,942	858,825
Total Expenses	26,894,254	27,014,576	33,391,663	31,595,659	36,219,702	36,399,596	31,123,131	32,311,741	32,808,282	34,331,619
PROGRAM REVENUES										
Charges for services:										
Community development	451,874	615,292	891,115	1,264,873	565,128	548,343	693,710	785,193	853,298	754,823
Public works	221,490	220,067	219,762	220,351	202,644	205,216	226,215	205,730	203,981	359,902
Police services	1,850,794	2,016,945	2,097,129	2,220,234	2,310,283	2,206,167	2,116,171	2,253,049	2,230,274	2,495,163
Judicial	232,020	218,077	221,595	222,167	225,844	212,139	226,722	232,470	196,005	209,128
Parks and recreation	1,045,053	1,126,325	1,248,770	1,439,724	1,245,044	1,456,294	1,176,732	1,194,566	1,113,024	1,115,734
Human services	27,108	36,282	34,288	46,761	58,111	34,442	41,404	47,464	-	-
Operating grants and contributions	2,134,230	2,291,166	2,551,469	2,369,022	2,322,738	2,381,866	2,324,220	2,300,350	2,278,440	2,186,616
Capital grants and contributions	324,000	1,327,493	203,379	2,565,202	4,681,889	2,008,578	5,718,036	692,983	1,452,327	298,273
Total Program Revenues	6,286,569	7,851,647	7,467,507	10,348,334	11,611,681	9,053,045	12,523,210	7,711,805	8,327,349	7,419,639
NET REVENUE (EXPENSES)	(20,607,685)	(19,162,929)	(25,924,156)	(21,247,325)	(24,608,021)	(27,346,551)	(18,599,921)	(24,599,936)	(24,480,933)	(26,911,980)
GENERAL REVENUES										
Gaming tax	15,607,319	16,070,698	15,569,179	14,002,332	13,941,327	13,192,688	12,449,843	11,986,806	10,992,201	9,705,233
Sales taxes	7,831,881	7,616,477	7,774,200	7,437,185	6,705,281	6,597,589	7,039,955	7,229,184	7,520,275	8,140,037
Utility tax	4,296,972	4,208,938	4,721,564	7,017,856	6,138,908	6,133,749	5,948,248	5,990,473	6,275,959	6,269,831
Property tax from tax increment financing	1,222,353	1,498,625	1,254,783	2,050,938	1,849,570	3,561,123	2,983,084	3,056,622	1,573,760	2,900,725
Hotel/motel tax	127,919	134,637	276,208	262,225	245,429	221,098	258,243	272,650	269,679	280,805
Cigarette tax	91,490	90,784	86,913	84,448	75,226	73,636	73,265	75,256	72,934	71,097
Business license tax	534,556	517,842	747,092	584,968	719,273	623,532	681,544	641,768	656,251	654,600
Cable franchise tax	222,267	237,435	241,050	263,742	301,004	330,568	351,505	369,568	364,730	402,200
Investment earnings	1,303,006	2,739,645	3,847,575	3,068,687	857,212	579,077	1,094,251	481,387	1,163	608,117
Gain on sale of capital assets	-	-	210,399	223,620	6,300	106,592	-	-	-	-
Other	597,053	211,492	21,019	117,096	101,662	262,672	79,328	691,817	822,969	99,615
Special items	(41,818,397)	-	-	-	(5,554,074)	-	-	-	-	-
Total General Revenues	(9,983,581)	33,326,573	34,749,982	35,113,097	25,387,118	31,682,324	30,959,266	30,795,531	28,549,921	29,132,260
CHANGE IN NET POSITION	\$ (30,591,266)	14,163,644	8,825,826	13,865,772	779,097	4,335,773	12,359,345	6,195,595	4,068,988	2,220,280

Special items:

In 2005 the City dedicated to St. Louis County a roadway known as the Maryland Heights Expressway. This transfer of infrastructure assets from the City to the County resulted in a decrease of net assets of over \$38 million. Also in 2005 the City terminated various contracts related to the design and construction of a new government center that resulted in the recognition of a decrease in net assets of \$3,789,175.

In 2009 the City dedicated to St. Louis County part of a roadway known as the Maryland Heights Expressway. The segment of the roadway runs from Page Avenue (Hwy. 364) to Water Works Road.

CITY OF MARYLAND HEIGHTS, MISSOURI

Fund Balances Of Governmental Funds

Last Ten Fiscal Years
(Modified accrual basis of accounting)

	December 31									
	2005	2006	2007	2008	2009	2010	2011*	2012*	2013*	2014*
General Fund										
Reserved	\$ 8,664,143	8,617,908	7,742,975	8,086,849	3,038,497	5,433,310	625,450 ‡	465,823 ‡	629,137 ‡	706,824
Unreserved	19,619,198	23,006,231	28,953,321	33,395,005	25,937,678	25,007,759	31,343,370	35,442,869	36,107,860	36,287,596
Nonspendable							466,223	282,002	330,411	624,466
Restricted							-	-	-	-
Committed							143,842	161,220	236,061	49,469
Assigned							15,385	22,601	62,665	11,316,656
Unassigned							31,343,370	35,442,869	36,107,860	25,003,829
Total General Fund	<u>\$ 28,283,341</u>	<u>31,624,139</u>	<u>36,696,296</u>	<u>41,481,854</u>	<u>28,976,175</u>	<u>30,441,069</u>	<u>31,968,820</u>	<u>35,908,692</u>	<u>36,736,997</u>	<u>36,994,420</u>
All Other Governmental Funds										
Reserved	\$ 10,800,324	7,102,888	13,000,268	13,776,941	9,795,829	10,218,843	6,835,538 ϕ	4,161,245 ϕ	6,343,513 ϕ	2,642,320 ϕ
Unreserved, reported in:										
Special Revenue Funds	3,790,261	7,057,022	10,304,042	2,396,168	5,086,530	4,211,780	8,103,491	8,681,276	6,936,356	9,006,336
Capital Projects Funds	15,855,925	19,457,633	7,760,743	7,590,897	9,793,394	4,927,110	8,081,026	9,053,831	8,325,384	9,122,172
Debt Service Funds	82,757	74,894	135,627	203,424	-	-	-	-	-	-
Nonspendable							-	9,000	-	11,270
Restricted							8,538,063	7,330,032	6,720,370	7,040,411
Committed							14,481,992	14,557,320	14,885,497	13,719,147
Assigned							-	-	-	-
Unassigned							-	-	(614)	-
Total All Other Governmental Funds	<u>\$ 30,529,267</u>	<u>33,692,437</u>	<u>31,200,680</u>	<u>23,967,430</u>	<u>24,675,753</u>	<u>19,357,733</u>	<u>23,020,055</u>	<u>21,896,352</u>	<u>21,605,253</u>	<u>20,770,828</u>

Note:

* Prior year amounts have not been restated for implementation of GASB 54. For comparison purposes, fund balance amounts are provided using the previous method.

‡ General Fund reserved amounts include advances to other funds, all of which were repaid as of December 31, 2011.

ϕ Reserved amounts in other governmental funds include encumbrances at the end of the year.

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Municipal taxes	\$ 31,274,624	32,124,637	31,826,694	33,207,116	31,183,613	31,873,173	31,043,040	30,882,809	28,737,386	29,783,231
Licenses, permits, fines, and fees	2,984,421	3,275,992	3,887,608	4,153,186	3,703,202	3,486,316	3,868,319	3,920,419	3,947,310	3,855,393
Charges for services	1,045,053	1,126,325	1,248,770	1,439,724	1,245,044	1,456,294	1,176,732	1,194,566	1,163,292	1,146,111
Intergovernmental	723,733	1,998,536	645,231	3,054,130	4,031,171	2,639,505	6,501,378	1,409,643	2,027,566	765,476
Investment income	1,303,006	2,739,645	3,847,575	3,068,687	857,212	579,077	1,094,251	481,387	1,163	608,117
Other	595,641	479,881	542,666	354,180	278,757	251,078	58,705	653,075	832,979	103,159
Total Revenues	37,926,478	41,745,016	41,998,544	45,277,023	41,298,999	40,285,443	43,742,425	38,541,899	36,709,696	36,261,487
EXPENDITURES										
Current:										
Legislative	131,595	141,404	139,663	250,661	143,972	139,354	151,333	146,509	154,813	149,994
General administration	1,515,250	1,446,536	1,552,671	1,678,167	1,654,643	1,614,922	1,498,692	1,494,840	1,578,645	1,768,784
Finance and accounting	1,179,825	1,089,494	1,162,831	1,216,678	1,180,052	1,284,431	1,257,070	1,252,661	1,412,395	1,513,073
Community development	1,988,579	1,927,037	4,908,951	2,230,975	1,812,496	1,903,321	2,135,948	2,089,443	1,963,392	2,135,277
Public works	4,045,859	4,293,510	4,834,323	5,589,943	5,742,950	5,707,504	6,043,689	6,194,645	6,270,358	6,401,481
Police services	7,888,779	8,398,337	9,095,955	9,174,627	9,474,845	9,561,432	9,589,894	9,853,622	9,980,081	10,189,054
Judicial	238,508	252,685	295,186	338,085	364,934	370,630	382,877	404,940	367,890	349,818
Parks and recreation	3,123,751	3,470,391	3,949,217	4,250,409	4,110,448	4,032,722	3,668,071	3,733,927	3,949,402	3,991,768
Human services	257,488	270,095	277,859	290,105	298,189	335,525	344,784	345,791	303,943	322,834
Capital outlay	8,872,054	11,564,913	16,283,354	19,321,350	17,356,625	17,079,698	10,496,568	7,609,671	7,559,604	7,454,744
Debt service:										
Principal	1,980,000	2,055,000	2,130,000	3,005,000	9,455,000	1,065,000	1,880,000	1,615,000	1,730,000	1,725,000
Issuance costs	-	-	692,563	-	-	-	-	-	-	-
Interest	1,519,223	1,597,936	1,952,237	1,313,176	1,502,201	1,198,536	1,157,525	1,054,125	965,300	870,150
Total Expenditures	32,740,911	36,507,338	47,274,810	48,659,176	53,096,355	44,293,075	38,606,451	35,795,174	36,235,823	36,871,977
REVENUES OVER (UNDER) EXPENDITURES	5,185,567	5,237,678	(5,276,266)	(3,382,153)	(11,797,356)	(4,007,632)	5,135,974	2,746,725	473,873	(610,490)
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of bonds	-	-	-	-	-	-	-	-	-	-
Proceeds of tax increment financing notes	754,450	613,178	-	-	-	-	-	-	-	-
Proceeds of refinancing tax increment notes issued	-	-	23,194,813	-	-	-	-	-	-	-
Transfers in	4,908,123	3,358,565	2,100,793	2,167,416	16,246,015	492,000	503,250	1,951,221	2,398,875	1,808,200
Transfers out	(4,908,123)	(3,358,565)	(2,100,793)	(2,167,416)	(16,246,015)	(492,000)	(503,250)	(1,951,221)	(2,398,875)	(1,808,200)
Proceeds of sale of equipment	-	-	(17,768,032)	934,461	-	-	54,099	-	-	-
Bond discount on refinancing tax increment notes	-	-	(223,300)	-	-	-	-	-	-	-
Sale of capital assets	513,798	653,112	2,653,185	-	-	154,506	-	69,444	63,333	33,488
Total Other Financing Sources (Uses)	1,268,248	1,266,290	7,856,666	934,461	-	154,506	54,099	69,444	63,333	33,488
SPECIAL ITEMS										
Contribution to OPEB Trust Fund	-	-	-	-	-	-	-	-	-	-
Government center costs not capitalized	(1,817,362)	-	-	-	-	-	-	-	-	-
Total Special Items	(1,817,362)	-	-	-	-	-	-	-	-	-
NET CHANGES IN FUND BALANCES	\$ 4,636,453	6,503,968	2,580,400	(2,447,692)	(11,797,356)	(3,853,126)	5,190,073	2,816,169	537,206	(577,002)
Debt service as a percentage of noncapital expenditures	13.50 %	13.72	12.06	13.84	26.12	3.75	10.55	9.03	8.97	8.37

In 2009 the City redeemed all outstanding leasehold revenue bonds issued in 2003 for the construction of a new government center. The total redemption exceeded the scheduled debt service payment by \$7,774,379.

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
2005	\$ 15,607,319	\$ 4,254,320	\$ 7,742,913	\$ 3,670,072	\$ 31,274,624
2006	16,070,698	4,299,207	7,568,236	4,186,496	32,124,637
2007	15,569,179	4,657,311	7,662,991	3,937,213	31,826,694
2008	14,002,332	6,924,485	7,520,333	4,759,966	33,207,116
2009	13,941,327	6,139,117	6,734,956	4,368,213	31,183,613
2010	13,192,688	6,117,998	6,416,108	6,146,379	31,873,173
2011	12,449,843	5,992,169	7,079,124	5,521,904	31,043,040
2012	11,986,806	5,981,637	7,282,623	5,631,743	30,882,809
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

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Electric	\$ 45,634,855	45,292,182	47,063,104	46,594,761	47,513,602	53,692,727	58,520,945	58,109,836	62,614,944	63,209,084
Gas	14,902,418	17,673,355	16,123,227	17,930,088	16,425,060	14,037,273	14,268,982	11,865,455	12,912,504	14,192,432
Telephone	12,551,309	10,830,181	17,273,481	27,376,700	28,085,431	31,785,691	29,910,473	31,915,927	31,478,083	29,832,167
Water	4,262,709	4,371,673	4,218,575	4,881,317	5,170,693	5,611,527	6,248,127	6,865,836	6,613,333	6,770,081
Total Gross Receipts Of Utilities	<u>\$ 77,351,291</u>	<u>78,167,391</u>	<u>84,678,387</u>	<u>96,782,866</u>	<u>97,194,786</u>	<u>105,127,218</u>	<u>108,948,527</u>	<u>108,757,054</u>	<u>113,618,864</u>	<u>114,003,764</u>
Rate	5.5 %	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Revenue	<u>\$ 4,254,320</u>	<u>4,299,207</u>	<u>4,657,311</u>	<u>5,323,058</u>	<u>5,345,713</u>	<u>5,781,997</u>	<u>5,992,169</u>	<u>5,981,638</u>	<u>6,249,038</u>	<u>6,270,207</u>

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

No overlapping jurisdictions impose this tax.

Prior to 2008 the City deferred all payments received by cellular phone companies pending the outcome of a lawsuit. The lawsuit was settled which resulted in settlements paid by cellular phone companies. The 2008 gross receipts do not reflect any prior year payments or settlements.

In 2009 the City received a one-time payment from AT&T for disputed taxes on land lines. The 2009 gross receipts do not reflect any of that settlement amount.

Prior to 2010 the City deferred all payments received by T-Mobile cellular phone companies pending the outcome of a lawsuit. The lawsuit was settled which resulted in a settlement. The 2010 gross receipts do not reflect any prior year payments or settlements.

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	2014			2005		
	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts
Ameren Missouri	\$ 63,209,084	1	55.44 %	\$ 45,634,849	1	59.00 %
Laclede Gas	14,114,370	2	12.38	14,902,413	2	19.27
Missouri-American Water Co.	6,770,081	3	5.94	4,262,704	4	5.51
AT&T Missouri (formerly, Southwestern Bell)	6,233,122	4	5.47	9,368,217.00	3	12.11
New Cingular Wireless PCS LLC (formerly, AT&T Mobility II LLC)	6,157,103	5	5.40	-	-	-
			<u>84.63 %</u>			<u>95.89 %</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>
2014	0.500 %	2.700 %	4.225 %	7.425 %
2013	0.500	2.700	4.225	7.425
2012	0.500	2.700	4.225	7.425
2011	0.500	2.700	4.225	7.425
2010	0.500	2.700	4.225	7.425
2009	0.500	2.100	4.225	6.825
2008	0.500	1.850	4.225	6.575
2007	0.500	1.850	4.225	6.575
2006	0.500	1.850	4.225	6.575
2005	0.500	1.850	4.225	6.575

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 a 1% sales tax (included in the rates shown above) levied by St. Louis County.

CITY OF MARYLAND HEIGHTS, MISSOURI

Taxable Sales Generated By Industry

For The Years Ended December 31 - Last Eight Fiscal Years

Industry	2007		2008		2009		2010	
	Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable Gross Receipts						
Wholesale trade - durable goods	\$ 134,865	15.46 %	\$ 53,576	7.08 %	\$ 46,477	6.81 %	\$ 42,823	6.31 %
Eating and drinking places	96,557	11.08	99,141	13.10	91,968	13.48	87,964	12.97
Miscellaneous services	81,870	9.39	80,739	10.66	75,907	11.13	96,893	14.28
Miscellaneous retail	96,410	11.06	54,503	7.20	43,879	6.43	42,921	6.33
Electric, gas, and sanitary services	58,406	6.70	36,210	4.78	38,841	5.69	38,725	5.71
Food stores	51,265	5.88	45,744	6.04	50,270	7.37	49,323	7.27
Amusement/recreation services, except motel	41,227	4.73	40,572	5.36	25,260	3.70	23,666	3.49
Hotels, rooming houses, and camps/other	52,243	5.99	51,921	6.86	41,844	6.13	40,651	5.99
Communication	38,582	4.43	37,937	5.01	37,631	5.52	33,144	4.88
Other	220,420	25.28	256,719	33.91	230,080	33.74	222,315	32.77
Total Taxable Sales	<u>\$ 871,845</u>	<u>100.00 %</u>	<u>\$ 757,062</u>	<u>100.00 %</u>	<u>\$ 682,157</u>	<u>100.00 %</u>	<u>\$ 678,425</u>	<u>100.00 %</u>

Industry	2011		2012		2013		2014	
	Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable Gross Receipts						
Wholesale trade - durable goods	\$ 47,916	7.15 %	\$ 45,019	6.41 %	\$ 48,196	6.43 %	\$ 52,750	6.59 %
Eating and drinking places	87,024	12.98	89,384	12.72	90,336	12.05	91,090	11.39
Miscellaneous services	95,900	14.31	115,728	16.47	156,850	20.93	176,943	22.12
Miscellaneous retail	39,452	5.88	40,626	5.78	41,098	5.48	49,991	6.25
Electric, gas, and sanitary services	42,496	6.34	42,099	5.99	44,243	5.90	44,398	5.55
Food stores	48,076	7.17	49,272	7.01	47,571	6.35	48,536	6.07
Amusement/recreation services, except motel	19,738	2.94	18,261	2.60	15,577	2.08	12,387	1.55
Hotels, rooming houses, and camps/other	43,309	6.46	47,258	6.73	48,626	6.49	49,129	6.14
Communication	29,597	4.41	24,546	3.50	22,713	3.03	24,707	3.09
Other	216,922	32.36	230,391	32.79	234,317	31.26	249,944	31.25
Total Taxable Sales	<u>\$ 670,430</u>	<u>100.00 %</u>	<u>\$ 702,584</u>	<u>100.00 %</u>	<u>\$ 749,527</u>	<u>100.00 %</u>	<u>\$ 799,875</u>	<u>100.00 %</u>

Source: Taxable sales by Standard Industry Code reported by the State of Missouri Department of Revenue

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>
2005	9,556	\$ 301,050	\$ 15,607	41.2 %
2006	9,657	319,600	16,071	38.5
2007	9,116	348,900	15,569	37.1
2008	8,061	282,054	14,002	30.9
2009	7,754	294,625	13,941	33.8
2010	7,402	275,767	13,193	32.7
2011	6,819	268,112	12,450	28.5
2012	6,506	260,986	11,987	31.1
2013	6,081	233,847	10,992	29.8
2014	5,111	218,757	9,705	26.8

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.

Other notes:

The opening of two new casinos in the St. Louis region in December 2007 and March 2010 caused a decline in the casino located in the City.

CITY OF MARYLAND HEIGHTS, MISSOURI

Ratios Of Outstanding Debt By Type

Last Ten Fiscal Years

	December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
Tax increment notes and bonds*	\$ 16,290,041	16,903,219	22,116,850	21,352,150	20,532,540	19,487,750	17,628,050	16,033,350	14,323,650	12,618,950
Leasehold revenue bonds**	15,020,000	12,965,000	10,835,000	8,615,000	-	-	-	-	-	-
Total Debt Outstanding	31,310,041	29,868,219	32,951,850	29,967,150	20,532,540	19,487,750	17,628,050	16,033,350	14,323,650	12,618,950
Less - Reserve for debt service	(2,637,418)	(2,723,232)	(4,174,197)	(4,174,197)	(2,582,530)	(1,439,637)	(1,472,669)	(1,534,492)	(1,526,465)	(1,471,964)
Net Debt Outstanding	<u>\$ 28,672,623</u>	<u>27,144,987</u>	<u>28,777,653</u>	<u>25,792,953</u>	<u>17,950,010</u>	<u>18,048,113</u>	<u>16,155,381</u>	<u>14,498,858</u>	<u>12,797,185</u>	<u>11,146,986</u>
Personal Income	<u>\$ 681,407,628</u>	<u>681,407,628</u>	<u>681,407,628</u>	<u>681,407,628</u>	<u>681,407,628</u>	<u>681,407,628</u>	<u>681,407,628</u>	<u>812,814,064</u>	<u>812,814,064</u>	<u>812,814,064</u>
Debt As Percentage Of Personal Income	<u>4.21 %</u>	<u>3.98</u>	<u>4.22</u>	<u>3.79</u>	<u>2.63</u>	<u>2.65</u>	<u>2.37</u>	<u>1.78</u>	<u>1.57</u>	<u>1.37</u>
Population	<u>27,346</u>	<u>27,346</u>	<u>27,346</u>	<u>27,346</u>	<u>27,346</u>	<u>27,346</u>	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>	<u>27,472</u>
Per Capita Debt	<u>\$ 1,049</u>	<u>993</u>	<u>1,052</u>	<u>943</u>	<u>656</u>	<u>660</u>	<u>588</u>	<u>528</u>	<u>466</u>	<u>406</u>

*In December 2007 the City issued bonds to refund all outstanding tax increment notes.

** In April 2009 the City redeemed all outstanding leasehold revenue bonds.

CITY OF MARYLAND HEIGHTS, MISSOURI

Legal Debt Margin Information

Last Ten Fiscal Years

Description	December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 95,834,312	96,326,049	108,045,042	108,318,995	103,009,992	102,084,063	98,726,303	108,501,346	102,570,821	102,151,581
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 95,834,312	96,326,049	108,045,042	108,318,995	103,009,992	102,084,063	98,726,303	108,501,346	102,570,821	102,151,581

Calculation for Fiscal Year 2014:

Assessed value \$ 1,021,686,659

Debt limit--10% of assessed value \$ 102,168,666

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, 2014

	Debt Outstanding	Percent* Applicable To Maryland Heights	Amount Applicable To Maryland Heights
St. Louis County	\$ 109,755,000	4.82 %	\$ 5,290,191
Monarch Fire Protection District ¹	-	0.47	-
Metropolitan St. Louis Sewer District	156,220,592	10.04	15,684,547
Pattonville Fire Protection District ¹	16,025,000	35.55	5,696,888
Pattonville School District ¹	66,085,000	49.83	32,930,156
Parkway School District ¹	129,735,000	9.36	12,143,196
Special School District ¹	-	4.82	-
Maryland Heights Fire Protection District ¹	-	98.55	-
Creve Coeur Fire Protection District ¹	4,750,000	11.31	<u>537,225</u>
Subtotal, Overlapping Debt			<u>72,282,203</u>
City of Maryland Heights direct debt ²			<u>12,618,950</u>
Total Direct And Overlapping Debt			<u><u>\$ 84,901,153</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.

²In 2007, the City issued tax increment financing bonds to refund previously issued notes. These revenue bonds do not represent general obligation debt of the City. (Presented net of originating discount.)

*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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Tax increment financing (TIF) sales tax	\$ 104,155	94,351	103,059	114,432	94,424	105,868	128,017	124,599	102,994	153,157
TIF property tax	1,001,078	1,233,048	1,052,300	1,859,958	1,675,220	3,331,258	2,764,853	2,896,064	1,425,533	2,742,019
Total Available Revenue	\$ 1,105,233	1,327,399	1,155,359	1,974,390	1,769,644	3,437,126	2,892,870	3,020,663	1,528,527	2,895,176
Debt Service (interest due including increases to the notes)	\$ 1,531,819	1,629,164	2,189,337	1,666,196	2,102,300	2,263,536	3,037,525	2,669,123	2,695,300	2,595,150
Ratio	0.72	0.81	0.53	1.18	0.84	1.52	0.95	1.13	0.57	1.12
TIF notes issued:										
Series 2001A	\$ 48,706	36,643	61,018	-	-	-	-	-	-	-
Series 2001B	618,244	576,535	803,795	-	-	-	-	-	-	-
Total TIF Notes Issued During The Year	666,950	613,178	864,813	-	-	-	-	-	-	-
TIF notes outstanding at January 1	15,623,091	16,290,041	16,903,219	-	-	-	-	-	-	-
TIF notes refunded	-	-	-	-	-	-	-	-	-	-
TIF Notes Outstanding At December 31	\$ 16,290,041	16,903,219	17,768,032	-	-	-	-	-	-	-
TIF bonds issued:										
Series 2007A			\$ 17,175,000	-	-	-	-	-	-	-
Series 2007B			5,155,000	-	-	-	-	-	-	-
Total TIF Bonds Issued During The Year			<u>\$ 22,330,000</u>	-	-	-	-	-	-	-
TIF bonds outstanding at January 1				22,330,000	21,545,000	20,705,000	19,640,000	17,760,000	16,145,000	14,415,000
Principal paid				785,000	840,000	1,065,000	1,880,000	1,615,000	1,730,000	1,725,000
TIF Bonds Outstanding At December 31				\$ 21,545,000	20,705,000	19,640,000	17,760,000	16,145,000	14,415,000	12,690,000

From 2001 to 2007 the debt service requirement consisted only of interest due on TIF notes.

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 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).

CITY OF MARYLAND HEIGHTS, MISSOURI

Demographic And Economic Statistics

Last Ten Calendar Years

<u>For The Years Ended December 31</u>	<u>Population</u>	<u>Personal Income (Thousands Of Dollars)</u>	<u>Per Capita Personal Income</u>	<u>School Enrollment</u>		<u>Unemployment Rate</u>
				<u>Pattonville School District</u>	<u>Parkway School District</u>	
2005	27,346	\$ 681,408	\$ 24,919	-	18,732	3.50 %
2006	27,346	681,408	24,919	5,782	18,557	3.10
2007	27,346	681,408	24,919	5,544	18,212	3.30
2008	27,346	681,408	24,919	5,430	17,424	4.00
2009	27,346	681,408	24,919	5,372	17,424	7.40
2010	27,472	812,814	29,587	5,518	17,504	7.80
2011	27,472	812,814	29,587	5,457	17,234	6.50
2012	27,472	812,814	29,587	5,509	17,271	5.40
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

Source: Population and per capita personal income based on U.S. Census Bureau data
 School enrollment information provided by Parkway School District
 Pattonville enrollment information for years prior to 2006 was not available
 Unemployment rate information received from the Missouri Department of Labor

CITY OF MARYLAND HEIGHTS, MISSOURI

Principal Employers

Current Year And Nine Years Ago

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total City Employment</u>
Magellan Health Services	2,680	1	6.2 %	1,050	4	2.0 %
Edward Jones	1,677	2	3.9	1,649	3	3.1
Hollywood Casino St. Louis	1,256	3	2.9	-	-	-
GMAC	1,005	4	2.3	-	-	-
United Health Care of the Midwest	900	5	2.1	900	5	1.7
Schnucks Markets	853	6	2.0	743	6	1.4
Elsevier, Inc. and Elsevier Science	750	7	1.7	-	-	-
The Boeing Group	641	8	1.5	-	-	-
Graybar Electric Company, Inc.	494	9	1.2	-	-	-
Monsanto	479	10	1.1	-	-	-
Express Scripts, Inc.	-	-	-	2,005	1	3.8
Harrah's Casino	-	-	-	1,920	2	3.6
Quest Diagnostics Clinical Laboratories	-	-	-	521	7	1.0
Mosby, Inc.	-	-	-	516	8	1.0
KV Pharmaceutical Company	-	-	-	500	9	1.0
Watlow Electric Manufacturing	-	-	-	465	10	0.9
Total	<u>10,735</u>		<u>24.9 %</u>	<u>10,269</u>		<u>19.5 %</u>

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

Note: Hollywood Casino St. Louis purchased Harrah's during 2012.

CITY OF MARYLAND HEIGHTS, MISSOURI

Full-time Equivalent City Government Employees By Functions/Programs¹

Last Ten Fiscal Years

Functions/Programs	December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government:										
Administration	11.39	10.89	9.39	8.89	9.10	8.25	7.50	7.50	8.75	8.75
Finance	10.50	10.00	9.25	9.25	9.25	9.00	9.00	9.00	9.25	9.25
Community development	16.25	16.75	17.50	19.42	20.25	19.45	19.25	19.25	18.25	19.25
Municipal court	4.25	4.25	4.75	5.27	5.65	5.65	5.65	5.65	5.65	4.30
Human services	2.40	2.40	2.40	2.40	2.40	2.80	2.80	2.80	3.60	1.80
Police:										
Officers	78.00	78.00	78.00	79.00	79.00	79.00	79.00	79.00	79.00	79.00
Civilians	16.90	18.15	18.40	19.20	19.20	19.20	19.20	18.20	18.20	18.80
Public works:										
Engineering and administration	4.25	4.25	4.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00
Road and bridges	15.50	15.50	15.50	15.50	15.50	15.50	14.50	15.50	15.50	15.50
Stormwater	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Vehicle maintenance	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Construction management	7.25	7.25	7.25	7.25	6.25	6.25	6.25	6.25	6.25	6.25
Parks and recreation:										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Recreation services	11.60	11.60	11.65	11.20	10.50	10.50	10.20	9.80	9.90	11.40
Community Centre	13.50	13.50	13.45	13.45	13.55	13.45	13.70	13.45	13.70	13.80
Government center maintenance	2.25	2.25	2.25	3.25	5.00	5.00	5.00	5.00	5.00	4.00
Sportport	4.10	6.50	7.50	7.60	7.55	7.20	-	-	-	-
Aquaport	2.55	2.55	2.55	2.60	2.50	2.50	2.50	2.50	2.90	2.90
Parks maintenance	7.50	7.50	7.75	8.50	8.50	8.50	8.50	8.50	9.20	9.20
Total	<u>220.19</u>	<u>223.34</u>	<u>223.84</u>	<u>231.03</u>	<u>232.45</u>	<u>230.25</u>	<u>221.05</u>	<u>220.40</u>	<u>223.15</u>	<u>222.20</u>

Source: Payroll Data from Finance Department

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	25	25	26	26	26	26	26	26	26	26
Public works:										
Streets (miles)	98	95	95	97	97	97	97	97	97	97
Streetlights	1,792	1,820	1,870	1,893	1,904	1,922	1,948	1,956	1,956	1,961
Parks and recreation:										
Recreational facilities	7	7	8	8	8	8	8	8	8	8
Acreage ¹	103	107	107	107	123	123	123	123	123	123
Playgrounds	6	6	6	6	7	7	7	7	7	7
Square footage of Community Centre	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Soccer fields	14	14	14	14	14	14	14	14	14	14

Source: Various City departments

¹Acreage does not include undeveloped park land.

CITY OF MARYLAND HEIGHTS, MISSOURI

Operating Indicators By Functions/Programs

Last Ten Fiscal Years

Functions/Programs	December 31									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Adult arrests	4,560	4,754	4,694	4,482	4,617	4,708	5,020	5,184	4,947	4,730
Juvenile arrests	537	606	372	347	485	488	386	457	197	135
Hazardous citations	8,821	9,059	8,476	7,975	7,958	7,037	7,174	6,404	5,545	5,650
Nonhazardous citations	4,668	5,650	5,914	5,483	6,008	6,403	6,768	6,281	6,731	6,185
Emergency calls	642	572	495	514	410	438	422	357	574	554
Nonemergency calls	50,966	52,896	53,079	55,794	48,868	49,989	54,152	50,099	64,310	68,369
Public Works										
Street asphalt repairs tons	180	243	139	93	118	138	224	190	63	152
Street concrete repairs sq. yds.	45,667	34,763	32,088	28,610	41,335	66,357	31,408	34,980	43,644	20,767
Sidewalk replacement sq. ft.	19,721	29,409	28,997	26,892	39,685	41,016	19,801	8,557	19,932	14,608
Trees maintained	1,620	1,289	849	1,437	1,786	1,394	836	1,306	1,574	1,245
Stormwater inlet repairs	154	274	180	146	134	65	77	66	69	114
Sewer lateral repairs	43	56	65	51	56	58	51	64	48	61
Parks and Recreation										
Total programs offered	573	668	705	955	861	828	1,048	894	786	781
Total program registrations	18,086 ‡	7,739	7,308	6,890	6,933	7,091	7,142	7,556	7,071	7,888
Room set-ups	2,192	2,285	2,107	2,128	2,026	2,204	2,198	2,732	3,409	3,338
Room rentals	2,192	2,285	2,107	2,128	2,026	2,192	2,198	2,426	2,454	2,459
Rental attendance	69,555	85,701	83,470	83,873	69,527	74,510	68,178	82,096	65,954	72,576
Community Development										
Zoning permits	36	30	150	375	358	347	663	567	652	1,005
Business licenses	1,824	1,860	1,925	1,760	1,609	1,787	1,718	1,621	1,695	1,564
Building permits	780	737	790	790	904	716	1,229	1,675	1,727	1,254
Building inspections	2,410	2,750	3,410	4,150	3,328	3,237	5,099	4,955	3,901	3,035
Code inspections	2,740	1,834	1,021	1,089	1,554	1,717	1,532	2,483	1,693	1,421
Notice of code violation sent	1,005	600	470	348	703	650	606	934	473	362
Finance and Administration										
Bid solicitations	21	31	20	18	15	17	21	20	20	16
Press releases issued	36	47	38	32	25	35	30	30	25	4
Public inquiry responses - email	579	528	525	465	290	311	273	200	285	233
Municipal Court¹										
Traffic violation revenues									\$ 1,358,951	1,386,188
Total operating revenues									\$ 26,813,902	25,753,779
Percent of traffic violation revenues to total operating revenues									5.1 %	5.4

‡ In 2006 the method for counting total program registrations was changed to more accurately and consistently track participation in recreation programs.

¹Information provided in compliance with Missouri House Bill No. 103. No prior period reporting required. Operating revenues used herein defined as total unrestricted revenues of all governmental funds.

Source: Various City departments