

City of Maryland Heights, Missouri



Comprehensive Annual Financial Report

For The Year Ended December 31, 2015

CITY OF MARYLAND HEIGHTS, MISSOURI

Comprehensive Annual Financial Report For The Fiscal Year Ended December 31, 2015

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

CITY OF MARYLAND HEIGHTS, MISSOURI
FINANCIAL REPORT

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SECTION I - INTRODUCTORY SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI
PRINCIPAL OFFICIALS
DECEMBER 31, 2015

MAYOR

G. Michael Moeller

CITY COUNCIL

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

CITY ADMINISTRATOR

Vacant

CITY CLERK

Joann Cova

CHIEF OF POLICE

William Carson

DIRECTOR OF PUBLIC WORKS

Bryan Pearl

DIRECTOR OF FINANCE

David V. Watson

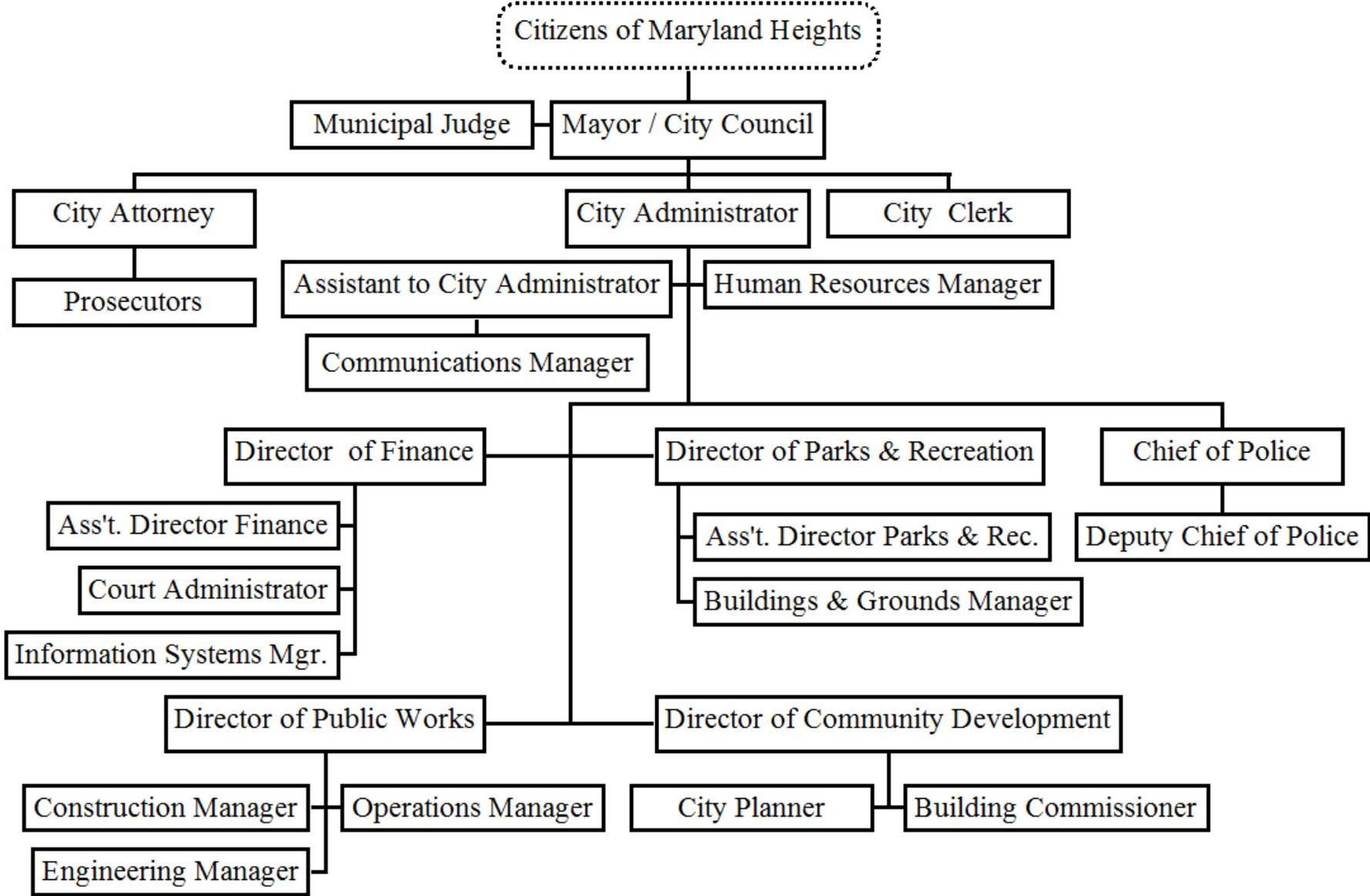
DIRECTOR OF COMMUNITY DEVELOPMENT

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, 2014

Executive Director/CEO



June 9, 2016

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, 2015, 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, 2015 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, 2015 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.

Commercial development activities remain strong. In 2015 three new microbreweries opened in Maryland Heights including a major facility for O'Fallon Brewery. Three new hotels are being constructed, Companion Bakery relocated their factory and opened a café, Edward Jones is expanding their campus and World Wide Technology broke ground on a new six-story building.

Riverboat gaming. A large portion (about 27% in 2015) 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 about \$26 million are planned for the years 2016 through 2020. 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 2015.

Budgetary Initiatives

In addition to ongoing efforts to provide a high level of services and to plan and fund infrastructure and facility projects, the City has made a commitment to expand leisure services beginning in 2016 with the opening of the new community center. The 90,000 square foot complex will include meeting rooms, gymnasiums, fitness center, and an indoor water park and entertainment and reception space.

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, 2014. This is the 27th 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.

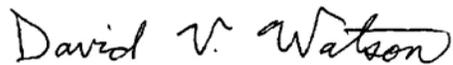
The GFOA also gave an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report (PAFR) issued for the fiscal year ended December 31, 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national 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, 2015. 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.

Acknowledgements

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,



David V. Watson
Director of Finance

SECTION II - FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

June 9, 2016

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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, 2015, 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.

Other Matters

Required Supplemental Information

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

Other Information

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

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such 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 June 9, 2016 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, 2015

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, 2015. 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 \$179,617,271 ("net position"). Of this amount, \$43,027,838 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 \$5,366,694 due to revenues exceeding expenses by that amount.
- As of the close of fiscal year 2015, the City's governmental funds reported combined ending fund balances of \$66,987,750, an increase of \$9,222,502 in comparison with the prior year. The amount of unrestricted fund balances available for future spending was \$51,934,161 or 78% of the total. (See description on page 6, "fund financial statements".)
- The City issued \$15 million in long-term debt (certificates of participation) in 2015 to finance about one-half the estimated cost of a new community center that began construction. Unspent proceeds of the issuance (\$6.98 million) at year-end contribute to the increase in the balance of governmental funds during 2015.
- At the end of 2015, unassigned fund balance for the General Fund was \$27,153,577 or 125% of total General Fund expenditures for the year. This represents an increase from \$25,003,829 in 2014. Total General Fund balance declined from \$36,994,420 to \$27,764,722 attributed to the planned use in the 2015 budget of \$11,420,000 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 \$10,162,979 in 2015 or 26.6% of governmental fund total revenues. This represents an increase of 4.7% from 2014. Due to competitive forces and decline in the regional gaming market this source of revenue had declined steadily since 2006.

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, 2015

Government-wide Financial Statements

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, general administration, finance and accounting, community development, public works, police services, judicial, parks and recreation, and human services. The 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 doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2015

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 45 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 47 through 54 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 56 through 69 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$179,617,271 at the close of the most recent fiscal year ended December 31, 2015.

During the year ended December 31, 2015, the City adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 (GASB 68), which resulted in new disclosing of pension related assets, outflows and inflows.

By far the largest portion of the City's net position (72%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2015

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, a portion of the debt proceeds (\$6.98 million) related to the construction of the new community center was unspent at December 31, 2015. 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>2015</u>	<u>2014</u>
ASSETS		
Current and other assets	\$ 72,964,079	61,340,930
Capital assets, net	<u>136,927,088</u>	<u>128,450,335</u>
Total Assets	<u>209,844,076</u>	<u>189,791,265</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pensions	<u>2,220,232</u>	<u>-</u>
LIABILITIES		
Long-term liabilities	27,602,965	14,121,927
Other liabilities	<u>3,679,777</u>	<u>1,978,440</u>
Total Liabilities	<u>31,282,742</u>	<u>16,100,367</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to pensions	<u>1,164,295</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	128,803,131	128,450,335
Restricted	7,786,302	7,168,803
Unrestricted	<u>43,027,838</u>	<u>38,071,760</u>
Total Net Position	<u>\$179,617,271</u>	<u>173,690,898</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* (\$43,027,838) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the 2015 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 \$5,366,694. Key elements of this increase are as follows:

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2015

	For The Years	
	Ended December 31	
	2015	2014
REVENUES		
Program revenues:		
Charges for services	\$ 5,032,426	4,934,750
Operating grants and contributions	2,194,906	2,186,616
Capital grants and contributions	870,588	298,273
General revenues:		
Gaming tax	10,162,979	9,705,233
Sales tax	8,627,676	8,140,037
Utility tax	6,100,744	6,269,831
Property tax from tax increment financing	3,140,626	2,900,725
Other taxes	360,000	351,902
Licenses and permits	1,064,236	1,056,800
Investment earnings	387,937	608,117
Other	<u>187,412</u>	<u>99,615</u>
Total Revenues	<u>38,129,530</u>	<u>36,551,899</u>
EXPENSES		
Governmental activities:		
Legislative	148,426	149,994
General administration	2,257,387	2,389,179
Finance and accounting	1,391,851	1,570,216
Community development	2,284,715	2,150,241
Public works	9,914,314	10,996,220
Police services	9,970,794	10,707,304
Judicial	420,936	373,615
Parks and recreation activities	4,628,668	4,815,344
Human services	330,720	320,681
Interest on long-term debt	<u>1,415,025</u>	<u>858,825</u>
Total Expenses	<u>32,762,836</u>	<u>34,331,619</u>
CHANGE IN NET POSITION	5,366,694	2,220,280
NET POSITION, JANUARY 1	174,250,577	171,470,618
RESTATEMENT	<u>-</u>	<u>559,679</u>
NET POSITION, DECEMBER 31	<u>\$179,617,271</u>	<u>174,250,577</u>

SIGNIFICANT CHANGES IN FUND NET POSITION

The increase in net position of \$5,366,694 is attributed to the ongoing situation of revenues exceeding expenses. In 2015, the City's governmental funds increased \$9,222k - a difference of \$3.9m between the in-

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2015

crease in net position and the increase of fund balances. The City invested in new capital assets and extending the life of infrastructure assets, an increase of \$8.5m net of depreciation, retirements, and transfers. Further, long-term liabilities increased by \$13.5m reflecting the issuance of new Certificates of Participation.

Expenses for 2015 were 4.6% lower than 2014 while revenues increased by 4.3%.

Intergovernmental revenues for capital grants increased \$572k in 2015 from 2014 primarily related to grants for specific infrastructure improvements. Notably, the City received \$757k in federal assistance for improvements to Progress Parkway.

The City's largest revenue source, gaming taxes, which accounts for about 26.6% of the total revenue was up 4.7% (\$457,746) from 2014. This marked the first increase since 2006. Increased competition and a decline in the region's demand have resulted in less gaming taxes for the City.

Sales taxes increased \$488k (6%) in 2015. The City's half-cent sales tax restricted for parks and storm water programs accounted for most of the increase.

Gross receipts taxes on utilities were down \$169k in 2015 due to lower natural gas and telecommunication revenues.

Charges for services increased \$98k in 2015 primarily due to higher police revenues as a result of more cases processed by the municipal court.

Property taxes from tax increment financing activities increased \$240k in 2015 primarily due to increased collections and assessments in 2015 in the South Heights redevelopment area.

Investment income on idle funds totaled \$387,937 in 2015 compared to \$608,117 in 2014. Changing market conditions from year-to-year for the types of securities the City can cause fluctuations in the earnings. The City plans to hold the investments to maturity.

Total expenses decreased \$1.6 million (4.6%) in 2015 primarily due to \$1.2 million in negative pension costs in 2015 compared to 2014 related to the implementation of GASB 68.

Decreases in Public Works expenses include lower contracted costs for pavement maintenance (\$130k), lower snow removal (\$100k) for chemicals to treat surfaces and less costs incurred in 2015 than 2014 for infrastructure projects that were ultimately cancelled or for costs that were not capitalized (\$370k).

Throughout the city departments motor fuel expenses decreased (\$100k) in 2015 due to lower prices and the lower personnel costs for compensated absences (\$100k).

Interest on long-term debt increased 64.7% (\$556k) in 2015 due to higher outstanding debt from the issuance in January, 2015 of \$15 million in Certificates of Participation to finance a portion of the cost of a new community center.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2015

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 2015, the City's governmental funds reported combined ending fund balances of \$66,987,750, an increase of \$9,222,502 from 2014. The issuance in 2015 of \$15 million in certificates of participation to fund the construction of a new community center (discussed below) accounts for the increase in governmental funds as total expenditures exceeded revenues by \$5,954,980.

Over 40% of the total governmental fund balances (\$27,149,599) at December 31, 2015 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 \$560,691, restricted balances of \$14,492,898, committed balances of \$24,732,348, and assigned balances of \$52,214.

The nonspendable funds represent prepaid expenditures existing at December 31, 2015.

The restricted funds are comprised of resources that have enforceable limitations on their use that include capital project for the construction of a new community center (\$6,980,191), debt service (\$1,455,366), police services (\$423,582), storm water projects and services (\$2,844,589), police officer training (\$44,481), beautification (\$73,080), parks (\$460,393) and tax increment financing (\$1,964,603).

The committed funds are those that the City Council, through formal action, has imposed constraints on their use and consist of parks and recreation (\$3,200,380), capital improvements (\$19,688,509) including the community center construction, and streetlighting (\$1,843,459).

The assigned balance consists of funds that the City intends to use for specific supplies, services, and other current expenditures (\$52,214) as determined by the City Administrator or department directors pursuant to the City's purchasing regulations.

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 2015 the City distributed 70% of the gaming taxes to the General Fund compared to 25% in 2009.

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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 125% of the total General Fund's expenditures. The General Fund's total balance represents 128% of 2015 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 subsequent three years. Transfers from the General Fund (\$12,535,500), Park Fund (\$1,000,000) and the Capital Improvements Fund (\$1,500,000) from 2013 to 2015 represent about half the anticipated cost of design and construction. In January 2015 the City issued \$15 million in leasehold revenue bonds, the proceeds of which were deposited to the fund. In 2015, expenditures of \$10.2 million on the project resulted in a fund balance of \$18.2 million at year-end. The facility is scheduled to open in the fall of 2016 at an estimated total cost of \$30 million.

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

- In 2015 the Special Park Fund increased \$1,794,812, due to revenues exceeding expenditures by \$2,059,812 less a transfer to the Community Center Debt Service Fund of \$265,000 (represents the 2015 debt service due on the bonds issued in January, 2015) to a fund balance of \$3,660,773. Revenues in the fund are comprised of a sales tax restricted for parks, user fees, and grants.
- The Capital Improvements Fund increased \$3,524 in 2015 due to revenues exceeding expenditures less a transfer of \$500,000 to the Community Center Construction Fund. Revenues in the fund consist primarily of a portion (30%) of the gaming tax revenue. Grant revenues related to specific infrastructure projects also are received by the fund. The fund balance at December 31, 2015 was \$8,497,747 of which \$3.9m has been committed for construction contracts on specific 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 2015, the cash (and cash equivalents) had decreased \$113,280 (to \$536,410) from 2014 due to concerted efforts to identify municipal court bond liabilities on old cases. 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 2015, investments had a net decrease in value of \$66,203. Benefits totaling \$34,342 were paid during 2015. The fund had \$3,168,788 in assets at December 31, 2015.

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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 2015 budget for the City's General Fund represents an original expenditure budget of \$22,580,467 with a net increase of \$250,000 to \$22,830,747, an adjustment of 1.1%. The changes during the year were as follows:

- An increase of \$15,000 in the human services function to provide for higher than expected costs for utility tax rebates to eligible senior citizens.
- An increase of \$25,000 in the administration department budget for legal services costs associated with unanticipated litigation related to a disputed land use issue.
- An increase of \$22,000 in the information technology program of the finance department for the purchase of computer servers that had been funded in 2014 but delayed to 2015.
- An increase of \$115,000 to provide funds in the community development department to provide for costs associated with new commercial developments in the city that required specialized services.
- An increase of \$56,000 in police patrol services to provide additional funds for the purchase of two new vehicles to replace those damaged in separate accidents. Insurance proceeds provided part of the funding.
- An increase of \$12,000 to provide funding to digitize certain building plan documents of the government center.
- An increase of \$5,000 in police overtime salaries related to a grant for work zone safety.
- Personnel costs of \$71,000 were transferred from the Police Services to the Municipal Court during the year and are reflected in the revised budget.

The City revises revenue estimates as information becomes available. General Fund 2015 revenue estimates were increased by a net of \$69,700 (.3%).

Increases to the estimates for gaming taxes (\$140,000), sales tax (\$50,000), investment income (\$100,000) and motor vehicle taxes (\$30,000) totaled \$320,000. Decreases to the expected electric utility gross receipts tax (\$100,000), telecommunication gross receipts tax (\$100,000), and municipal court fees and fines (\$150,000) totaled \$350,000.

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 \$19,700, intergovernmental revenues (work zone safety grant) of \$5,000 and developer reimbursements related to proposed projects of \$75,000.

The General Fund ended the year with budgetary revenues exceeding expenditures by \$2,153,891. Other financing sources and uses netted a decrease in budgetary fund balance of \$11,357,875. The other financing sources consisted of proceeds from the sale of assets and a transfer out to the Community Center Construction Fund (of \$11,420,000). The result was a total decrease in budgetary funds of \$9,203,984 in 2015 to \$27,859,804 at year-end.

CITY OF MARYLAND HEIGHTS, MISSOURI

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For The Year Ended December 31, 2015

The actual General Fund revenues and expenditures for the year varied slightly from the 2015 amended budget. Total actual revenues were 2.5% (\$575k) higher than budgeted and total actual expenditures were 5.0% (\$1.2m) lower than budgeted. The noteworthy variances were:

- Gaming taxes were up 4.7% in 2015. The revised budget assumed a 1% increase; the taxes had dropped the five previous years. The General Fund's share was \$254,086 higher than the amended budget.
- Sales tax was \$73,900 (1.9%) higher than the revised estimate. In 2015 the revenue was up slightly from 2014 which was 11% higher than 2013.
- Court fees and fines were \$94,402 (4.7%) higher than the revised budget forecast. Changes in the revenue as a result of state-imposed limitations that were expected in 2015 will begin in 2016.
- Investment income exceeded the budget by \$39,403 as the amount of available investable funds was higher than expected.
- Building permits were higher than expected reflecting high commercial construction activity during 2015. This contributed to the actual "charges for services" revenue exceeding the budget in 2015 by \$106,156.
- Utilities gross receipts tax revenue was \$43,868 lower than budgeted which is attributed lower gas utility revenues (down 7.8%) due to a mild winter and low natural gas costs and lower taxes received from telecommunication providers.
- Expenditures were \$1.2m below budgeted levels in 2015 of which \$372k was comprised of lower than budgeted personnel costs due to employee turnover, lower costs for employee health benefits and \$324k was attributed to lower than expected costs for motor fuel in the various departments and street maintenance commodities and contractual.

None of the 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, 2015 amounts to \$136,927,088 (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 \$8,476,753 or 6.6% more than last year. Construction in progress increased \$9.8 million of which \$10.2 million related to the start of the construction of a new community center plus outlay on infrastructure assets of \$1.9 million less the transfer of costs of \$2.3 million to Land and Other improvements upon the completion of a new walking/biking trail. Reductions in other capital asset categories relate to depreciation expense of \$4.7 million exceeding various additions to assets totaling \$1.3 million.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2015

	December 31	
	2015	2014
Land and improvements	\$ 12,648,085	10,780,712
Buildings	18,653,232	19,290,727
Machinery and equipment	1,084,830	1,334,661
Software	75,142	90,343
Automobiles and trucks	1,868,630	1,812,962
Infrastructure 86,482,724	88,832,717	
Construction in progress	<u>16,114,445</u>	<u>6,308,213</u>
Total	<u>\$136,927,088</u>	<u>128,450,335</u>

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the 2015 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 2015, the City had total long-term debt obligations (net of unamortized discount and premium) for governmental activities in the amount of \$25,648,398 compared to \$12,618,950 at the end of 2014. None of the debt outstanding represents general obligation bonds.

	For The Years		
	Ended December 31		Percentage
	2015	2014	Change
Governmental activities			
Community Center COPs	\$15,104,148	-	100.0%
South Heights TIF District bonds	<u>10,544,250</u>	<u>12,618,950</u>	(16.4%)
Total	<u>\$25,648,398</u>	<u>12,618,950</u>	103.3%

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 2015 a total of \$2,095,000 less bond discounts of \$20,300 were retired. The resulting balance of bonds less unamortized discount was \$10,544,250.

During 2015 the City issued \$15 million (plus premium) of certificates of participation to finance part of the cost of a new community center. No principal was due until 2016.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2015

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 2015 was \$100 million. The City has issued no debt covered by this limitation.

Additional information regarding the City's long-term debt can be found in Note F on pages 36 and 38 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The City's 2016 annual budget projects total expenditures of \$41,802,192, including capital investments of \$8 million.
- In 2016 the City will complete the construction of a new community center funded from accumulated fund balance and the long-term debt issued in 2015 in the form of leasehold revenue bonds. The total cost of the project is estimated to be \$30 million. The future cost of operating, maintaining and paying debt service will be funded by user fees and a dedicated sales tax.
- 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 2016 to 2020 projects investment in infrastructure improvements, major equipment, and facilities of about \$26 million. The City has a funding plan to provide resources on a pay-as-you go basis for infrastructure.
- 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. This trend appears to have leveled as 2015 gaming tax revenue increased 4.7% from 2014.
- 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 are planned 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, 2015

	Governmental Activities
ASSETS	
Cash and investments	\$ 56,151,486
Receivables	6,831,293
Prepaid items	560,691
Restricted assets - cash and investments	8,431,904
Net OPEB asset	200,572
Net pension asset	741,042
Capital assets not being depreciated:	
Land	7,731,270
Infrastructure	32,605,308
Construction in progress	16,114,445
Capital assets, net of accumulated depreciation:	
Buildings	18,653,232
Other improvements	4,916,815
Machinery and equipment	1,084,830
Software	75,142
Automobiles and trucks	1,868,630
Infrastructure	53,877,416
Total Assets	209,844,076
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	2,220,232
 LIABILITIES	
Accounts payable	2,887,764
Accrued interest	315,799
Accrued payroll	465,487
Unearned revenue	10,727
Noncurrent liabilities:	
Due within one year	3,042,999
Due in more than one year	24,559,966
Total Liabilities	31,282,742
 DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	1,164,295
 NET POSITION	
Net investment in capital assets	128,803,131
Restricted for:	
Parks	722,702
Debt service	1,455,366
Storm water	2,844,589
Tax increment funds	1,975,889
Other purposes	787,756
Unrestricted	43,027,838
Total Net Position	\$ 179,617,271

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

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	\$ 148,426	-	-	-	(148,426)
General administration	2,257,387	-	-	-	(2,257,387)
Finance and accounting	1,391,851	-	-	-	(1,391,851)
Community development	2,284,715	968,997	-	-	(1,315,718)
Public works	9,914,314	363,841	2,006,852	845,627	(6,697,994)
Police services	9,970,794	2,292,517	121,904	-	(7,556,373)
Judicial	420,936	163,763	-	-	(257,173)
Parks and recreation	4,628,668	1,243,308	66,150	24,961	(3,294,249)
Human services	330,720	-	-	-	(330,720)
Interest and fiscal charges on long-term debt	1,415,025	-	-	-	(1,415,025)
Total Governmental Activities	<u>\$ 32,762,836</u>	<u>5,032,426</u>	<u>2,194,906</u>	<u>870,588</u>	<u>(24,664,916)</u>
General Revenues					
Gaming tax					10,162,979
Sales tax					8,627,676
Utility tax					6,100,744
Property tax from tax increment financing					3,140,626
Hotel/motel tax					281,017
Cigarette tax					78,983
Business license tax					644,833
Cable franchise tax					419,403
Investment earnings					387,937
Other					187,412
Total General Revenues					<u>30,031,610</u>
CHANGE IN NET POSITION					5,366,694
NET POSITION, JANUARY 1, AS RESTATED					<u>174,250,577</u>
NET POSITION, DECEMBER 31					<u>\$ 179,617,271</u>

See notes to financial statements

CITY OF MARYLAND HEIGHTS, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	<u>Major Funds</u>					<u>Total Governmental Funds</u>
	<u>General</u>	<u>Special Park</u>	<u>Capital Improvements</u>	<u>Community Center Construction</u>	<u>Nonmajor Governmental Funds</u>	
ASSETS						
Cash and investments	\$ 25,635,975	3,413,196	7,886,684	13,171,754	6,043,877	56,151,486
Cash and investments - restricted	-	-	-	6,980,191	1,451,713	8,431,904
Accounts receivable:						
Municipal taxes	2,869,534	640,312	827,344	-	1,688,529	6,025,719
Licenses, permits, fines, and fees	699,088	-	-	-	-	699,088
Intergovernmental	-	518	-	-	-	518
Accrued interest	102,453	-	-	2,116	1,399	105,968
Prepaid items	558,931	-	1,760	-	-	560,691
Due from other funds	63,902	-	-	-	-	63,902
	<u>\$ 29,929,883</u>	<u>4,054,026</u>	<u>8,715,788</u>	<u>20,154,061</u>	<u>9,185,518</u>	<u>72,039,276</u>
Total Assets						
LIABILITIES						
Accounts payable	\$ 413,745	104,364	212,071	1,981,348	176,236	2,887,764
Accrued payroll	432,937	26,580	5,970	-	-	465,487
Due to other funds	-	-	-	-	63,902	63,902
Unearned revenue	9,752	-	-	-	975	10,727
	<u>856,434</u>	<u>130,944</u>	<u>218,041</u>	<u>1,981,348</u>	<u>241,113</u>	<u>3,427,880</u>
Total Liabilities						
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	1,308,727	262,309	-	-	52,610	1,623,646
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	558,931	-	1,760	-	-	560,691
Restricted for:						
Parks	-	460,393	-	-	-	460,393
Debt service	-	-	-	-	1,455,366	1,455,366
Community center construction	-	-	-	6,980,191	-	6,980,191
Police forfeitures	-	-	-	-	423,582	423,582
Storm water	-	-	-	-	2,844,589	2,844,589
Sewer lateral	-	-	-	-	246,613	246,613
Police training	-	-	-	-	44,481	44,481
Beautification	-	-	-	-	73,080	73,080
Tax increment funds	-	-	-	-	1,964,603	1,964,603
Committed for:						
Parks	-	3,200,380	-	-	-	3,200,380
Capital improvements	-	-	8,495,987	11,192,522	-	19,688,509
Streetlighting	-	-	-	-	1,843,459	1,843,459
Assigned for:						
Purchases on order	52,214	-	-	-	-	52,214
Unassigned	27,153,577	-	-	-	(3,978)	27,149,599
	<u>27,764,722</u>	<u>3,660,773</u>	<u>8,497,747</u>	<u>18,172,713</u>	<u>8,891,795</u>	<u>66,987,750</u>
Total Fund Balances						
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 29,929,883</u>	<u>4,054,026</u>	<u>8,715,788</u>	<u>20,154,061</u>	<u>9,185,518</u>	<u>72,039,276</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015

Total Fund Balances - Total Governmental Funds	\$ 66,987,750
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 \$203,349,262 and the accumulated depreciation is \$66,422,174.	136,927,088
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.	1,623,646
Certain items are not financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension asset	741,042
Deferred outflows related to pensions	2,220,232
Deferred inflows related to pensions	(1,164,295)
Net OPEB asset	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 and certificates of participation payable	(25,595,000)
Bond discount	50,750
Certificates of participation premium	(104,148)
Interest on long-term debt is recognized as an expenditure when due in the governmental funds.	(315,799)
Compensated absences are not reported in the governmental funds.	<u>(1,954,567)</u>
Total Net Position Of Governmental Activities	<u><u>\$ 179,617,271</u></u>

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Major Funds					Total Governmental Funds
	General	Special Park	Capital Improvements	Community Center Construction	Nonmajor Governmental Funds	
REVENUES						
Municipal taxes	\$ 18,808,226	4,343,270	3,048,893	-	4,622,096	30,822,485
Licenses, permits, fines, and fees	4,193,136	-	-	-	-	4,193,136
Charges for services	-	1,273,308	-	-	-	1,273,308
Intergovernmental	373,937	61,111	845,627	-	72,143	1,352,818
Investment income	343,864	-	-	15,889	28,184	387,937
Other	110,137	-	-	-	-	110,137
Total Revenues	<u>23,829,300</u>	<u>5,677,689</u>	<u>3,894,520</u>	<u>15,889</u>	<u>4,722,423</u>	<u>38,139,821</u>
EXPENDITURES						
Current:						
Legislative	148,426	-	-	-	-	148,426
General administration	1,783,950	-	-	-	1,669	1,785,619
Finance and accounting	1,405,982	-	-	-	-	1,405,982
Community development	1,793,250	-	-	-	588,907	2,382,157
Public works	5,024,228	-	-	-	700,017	5,724,245
Police services	10,064,590	-	-	-	78,944	10,143,534
Judicial	429,712	-	-	-	-	429,712
Parks and recreation	504,882	3,347,066	-	-	-	3,851,948
Human services	337,171	-	-	-	-	337,171
Capital outlay	208,932	270,811	3,415,996	10,191,468	361,490	14,448,697
Debt service:						
Principal	-	-	-	-	2,095,000	2,095,000
Interest	-	-	-	-	1,034,954	1,034,954
Debt issuance cost	-	-	-	307,356	-	307,356
Total Expenditures	<u>21,701,123</u>	<u>3,617,877</u>	<u>3,415,996</u>	<u>10,498,824</u>	<u>4,860,981</u>	<u>44,094,801</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,128,177</u>	<u>2,059,812</u>	<u>478,524</u>	<u>(10,482,935)</u>	<u>(138,558)</u>	<u>(5,954,980)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	25,000	11,920,000	265,000	12,210,000
Transfers out	(11,420,000)	(265,000)	(500,000)	-	(25,000)	(12,210,000)
Certificates of participation issued	-	-	-	15,000,000	-	15,000,000
Premium on certificates of participation	-	-	-	109,107	-	109,107
Sale of capital assets	62,125	-	-	-	6,250	68,375
Total Other Financing Sources (Uses)	<u>(11,357,875)</u>	<u>(265,000)</u>	<u>(475,000)</u>	<u>27,029,107</u>	<u>246,250</u>	<u>15,177,482</u>
NET CHANGE IN FUND BALANCES	(9,229,698)	1,794,812	3,524	16,546,172	107,692	9,222,502
FUND BALANCES, JANUARY 1	<u>36,994,420</u>	<u>1,865,961</u>	<u>8,494,223</u>	<u>1,626,541</u>	<u>8,784,103</u>	<u>57,765,248</u>
FUND BALANCES, DECEMBER 31	<u>\$ 27,764,722</u>	<u>3,660,773</u>	<u>8,497,747</u>	<u>18,172,713</u>	<u>8,891,795</u>	<u>66,987,750</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, 2015

Net Change In Fund Balances - Governmental Funds	\$ 9,222,502
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 (\$13,203,894) exceeded depreciation (\$4,679,926) in the current period.	8,523,968
The net effect of various transactions involving capital assets: Cost of disposals, net of accumulated depreciation	(47,215)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds: Decrease in unavailable revenue	(31,449)
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:	
Issuance of long-term debt	(15,109,107)
Repayments of long-term debt	2,095,000
Amortization of debt discount	(20,300)
Amortization of debt premium	4,959
Net Adjustment	(13,029,448)
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	(451,590)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. Increase in accrued interest Negative pension expense	(57,374) 1,237,300
Change In Net Position Of Governmental Activities	\$ 5,366,694

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2015

	Agency Fund	Other Post- employment Benefit Trust Fund
ASSETS		
Cash	\$ 536,410	-
Investments - pooled balanced funds	-	3,168,788
Total Assets	536,410	3,168,788
LIABILITIES		
Deposits held for others	536,410	-
NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS	\$ -	3,168,788

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Other Post- employment Benefit Trust Fund
ADDITIONS	
Investment income	\$ (66,203)
DEDUCTIONS	
Benefit payments	<u>34,342</u>
CHANGE IN NET POSITION	(100,545)
NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS, JANUARY 1	<u>3,269,333</u>
NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS, DECEMBER 31	<u><u>\$ 3,168,788</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.

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

Additionally, the City reports the following fund types:

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)

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.

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.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets (Continued)

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 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. The City provides vested sick leave benefits 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. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Debt payable are reported net of the applicable bond premium or discount.

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

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, 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 a restricted, committed, or assigned portion of fund balances since they do not constitute expenditures or liabilities because the encumbrances will be honored during the subsequent year. Encumbrances for the General, Special Park, Capital Improvements, Community Center Construction, and Nonmajor Special Revenue Funds amounted to \$52,214, \$100,267, and \$3,879,051, \$16,006,779, and \$1,514,732 respectively, at December 31, 2015.

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 next fiscal year.

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 currently has deferred outflows of resources related to the pension reported on the government-wide statement of net position.

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 City currently has deferred inflows of resources for unavailable revenues from various sources reported on the governmental funds balance sheet. The City also has deferred inflows of resources related to the pension reported on the government-wide statement of net position.

14. Use of Estimates

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

15. Pensions

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

As of December 31, 2015, 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, 2015, 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	\$15,802,334	-	9,323,924	6,478,410	-	AA
Federal Farm Credit Bank	4,006,920	-	-	4,006,920	-	AA
Federal Home Loan Mortgage Corporation	7,206,910	-	500,220	6,706,690	-	AA
Federal National Mortgage Association	9,257,789	-	2,356,990	6,900,799	-	AA
Total Federal Agency Notes	36,273,953	-	12,181,134	24,092,819	-	
Repurchase agreement	6,388,000	-	6,388,000	-	-	AA
Certificate of deposit	16,174,955	-	9,019,955	7,155,000	-	N/A
Money market	5,600,068	5,600,068	-	-	-	AA
MOSIP	1,088,294	1,088,294	-	-	-	AAA
Total Primary Government	65,525,270	6,688,362	27,589,089	31,247,819	-	
Fiduciary Funds						
Pooled employee Post-employment Benefits Funds	3,168,788	3,168,788	-	-	-	N/A
Grand Total Investments	<u>\$68,694,058</u>	<u>9,857,150</u>	<u>27,589,089</u>	<u>31,247,819</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, 2015

	Balance December 31 2014	Increases	Decreases	Balance December 31 2015
Capital assets not being depreciated:				
Land	\$ 7,024,526	706,744	-	7,731,270
Right-of-way	20,790,166	19,175	-	20,809,341
Nondepreciable components of streets	11,744,936	51,031	-	11,795,967
Construction in progress	6,308,213	12,091,100	2,284,868	16,114,445
Total Capital Assets Not Being Depreciated	<u>45,867,841</u>	<u>12,868,050</u>	<u>2,284,868</u>	<u>56,451,023</u>
Capital assets being depreciated:				
Buildings	25,185,507	-	-	25,185,507
Other improvements	12,169,386	1,759,541	-	13,928,927
Machinery and equipment	4,011,741	57,412	-	4,069,153
Software	152,006	-	-	152,006
Automobiles and trucks	3,963,098	433,091	356,579	4,039,610
Infrastructure	99,152,368	370,668	-	99,523,036
Total Capital Assets Being Depreciated	<u>144,634,106</u>	<u>2,620,712</u>	<u>356,579</u>	<u>146,898,239</u>
Less - Accumulated depreciation for:				
Buildings	5,894,780	637,495	-	6,532,275
Other improvements	8,413,200	598,912	-	9,012,112
Machinery and equipment	2,677,080	307,243	-	2,984,323
Software	61,663	15,201	-	76,864
Automobiles and trucks	2,150,136	330,208	309,364	2,170,980
Infrastructure	42,854,753	2,790,867	-	45,645,620
Total Accumulated Depre- ciation	<u>62,051,612</u>	<u>4,679,926</u>	<u>309,364</u>	<u>66,422,174</u>
Total Capital Assets Being Depreciated, Net	<u>82,582,494</u>	<u>(2,059,214)</u>	<u>47,215</u>	<u>80,476,065</u>
Total Capital Assets, Net	<u>\$ 128,450,335</u>	<u>10,808,836</u>	<u>2,332,083</u>	<u>136,927,088</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 2015
General administration	\$ 627,141
Finance and accounting	34,485
Community development	7,996
Public works	3,056,745
Police services	168,051
Parks and recreation	785,508
Total	\$ 4,679,926

NOTE D - INTERFUND BALANCES

During the normal course of business, the City has numerous transactions between funds. The outstanding balances at December 31, 2015 is to eliminate a negative cash balance within a fund. The following is a reconciliation of internal receivables and payables:

	December 31, 2015	
	Receivable Fund	Payable Fund
General Fund	\$ 63,902	-
Nonmajor funds	-	63,902
Total	\$ 63,902	63,902

NOTE E - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - INTERFUND TRANSACTIONS (Continued)

	Transfers in			Total
	Capital Improvements Fund	Community Center Construction	Nonmajor Governmental Funds	
Transfers out:				
General Fund	\$ -	11,420,000	-	11,420,000
Capital Improvements Fund	-	500,000		500,000
Special Park Fund	-	-	265,000	265,000
Nonmajor governmental funds	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Total	<u>\$ 25,000</u>	<u>11,920,000</u>	<u>265,000</u>	<u>12,210,000</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, 2015			Balance December 31 2015	Amounts Due Within One Year
	Balance December 31 2014	Additions	Reductions		
	Certificates of Participation Series 2015	\$ -	15,000,000		
Tax Increment Bonds, Series 2007A	7,535,000	-	2,095,000	5,440,000	2,300,000
Tax Increment Bonds, Series 2007B	5,155,000	-	-	5,155,000	-
Certificates of Participation Premium	-	109,107	4,959	104,148	-
Bond discount	(71,050)	-	(20,300)	(50,750)	-
Compensated absences payable	<u>1,502,977</u>	<u>532,410</u>	<u>80,820</u>	<u>1,954,567</u>	<u>142,999</u>
Total Long-term Liabilities	<u>\$ 14,121,927</u>	<u>15,641,517</u>	<u>2,160,479</u>	<u>27,602,965</u>	<u>3,042,999</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

The certificates of participation and tax increment bonds payable are to be liquidated by the Community Center Debt Service and South Heights TIF District Fund respectively. Compensated absences are generally liquidated by the General Fund, Special Park Fund, and Capital Improvement Fund.

Certificates of Participation

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

Annual debt service requirements are as follows:

For The Years Ending December 31	Principal	Interest	Total
2016	\$ 600,000	377,133	977,133
2017	610,000	365,032	975,032
2018	625,000	352,682	977,682
2019	635,000	340,082	975,082
2020	650,000	327,232	977,232
2021 - 2025	3,455,000	1,428,946	4,883,946
2026 - 2030	3,905,000	982,113	4,887,113
2031 - 2035	4,520,000	360,717	4,880,717
Total	<u>\$ 15,000,000</u>	<u>4,533,937</u>	<u>19,533,937</u>

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.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

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 (LAGERS)

Plan Description

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

Benefits Provided

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

	<u>2015</u> <u>Valuation</u>
Benefit multiplier	2%
Final average salary	5 years
Member contributions	- %

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

Employees Covered By Benefit Terms

At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	24
Active employees	<u>192</u>
Total	<u>248</u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees do not contribute to the pension plan. The City contribution rates are 13.1% (General) and 14.5% (Police) of annual covered payroll.

Net Pension Asset

The City's net pension asset was measured as of June 30, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of February 28, 2015.

Actuarial Assumptions

The total pension asset in the February 28, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.5% wage inflation; 3% price inflation
Salary increase	3.5% to 6.8% including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses

Mortality rates were based on 105% of the 1994 Group Annuity Mortality Table set back zero years for both males and females.

The actuarial assumptions used in the February 28, 2015 valuation were based on the results of an actuarial experience study for the period March 1, 2005 through February 28, 2010.

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Equity	48.50 %	5.50 %
Fixed income	25.00	2.25
Real assets	20.00	4.50
Strategic assets	6.50	7.50

Discount Rate

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

Changes in the Net Pension Liability (Asset)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (a)-(b)</u>
Balances at June 30, 2014	<u>\$ 28,967,089</u>	<u>28,629,144</u>	<u>337,945</u>
Changes for the year			
Service cost	1,483,439	-	1,483,439
Interest	2,138,745	-	2,138,745
Difference between expected and actual experience	(1,325,737)	-	(1,325,737)
Contributions - employer	-	1,766,469	(1,766,469)
Net investment income	-	580,792	(580,792)
Benefit payments, including refunds	(398,782)	(398,782)	-
Administrative expense	-	(22,744)	22,744
Other changes	-	1,050,917	(1,050,917)
Net Changes	<u>1,897,665</u>	<u>2,976,652</u>	<u>(1,078,987)</u>
Balances at June 30, 2015	<u>\$ 30,864,754</u>	<u>31,605,796</u>	<u>(741,042)</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

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

The following presents the net pension liability (asset) of the employer, calculated using the discount rate of 7.25%, as well as what the employer's net pension liability (asset) would be using a discount rate that is 1% point lower (6.25%) or 1% point higher (8.25%) than the current rate.

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net pension liability (asset)	\$ 3,899,997	(741,042)	(4,660,646)

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

For the year ended December 31, 2015, the City recognized an actuarially determined negative pension expense of \$1,237,300. Reported deferred outflows and inflows of resources are related to the following sources:

	Outflows	Inflows	Net Outflows
Difference in experience	\$ -	(1,164,295)	(1,164,295)
Excess (deficit) investment returns	1,264,121	-	1,264,121
Contributions subsequent to the measurement date*	956,111	-	956,111
Total	\$ 2,220,232	(1,164,295)	1,055,937

*The amount reported as deferred outflows or resources resulting from contributions subsequent to the measurement date will be recognized as an increase in the net pension asset for the year ending December 31, 2016.

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

	For The Years Ending December 31	
2016		\$ 1,110,699
2017		154,588
2018		154,588
2019		154,588
2020		(161,442)
Thereafter		(357,084)
Total		\$ 1,055,937

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 2015.

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 \$11,704,000, payable through 2018. For the current year \$2,870,275 of principal and interest was paid on the bonds and total incremental tax revenues were \$3,258,267.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE M - RESTRICTED NET POSITION

The government-wide statement of net position reports \$7,786,302 of restricted net position, of which \$6,330,936 is restricted by enabling legislation.

NOTE N - RESTATEMENT OF NET POSITION

The previous year's net position was restated as follows:

	<u>Governmental Activities</u>
Net position, December 31, 2014, as previously reported	\$ 173,690,898
Restatement for GASB 68 Implementation	<u>559,679</u>
Net Position, December 31, 2014, As Restated	<u><u>\$ 174,250,577</u></u>

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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Municipal Taxes				
Gaming	\$ 6,720,000	6,860,000	7,114,086	254,086
Utilities gross receipts	5,830,000	5,630,000	5,586,132	(43,868)
Sales tax	3,900,000	3,950,000	4,023,900	73,900
Cigarette	70,000	70,000	79,237	9,237
Gasoline and motor vehicle tax	1,000,000	1,030,000	1,074,658	44,658
County road refund	1,000,000	1,000,000	930,213	(69,787)
Total Municipal Taxes	<u>18,520,000</u>	<u>18,540,000</u>	<u>18,808,226</u>	<u>268,226</u>
Licenses, Permits, Fines, and Fees				
Court fines and fees	2,150,000	2,000,000	2,094,402	94,402
Merchant licenses	630,000	630,000	633,675	3,675
Charges for services	839,500	939,500	1,045,656	106,156
Cable TV franchise	380,000	380,000	419,403	39,403
Total Licenses, Permits, Fines, And Fees	<u>3,999,500</u>	<u>3,949,500</u>	<u>4,193,136</u>	<u>243,636</u>
Intergovernmental	<u>342,200</u>	<u>342,200</u>	<u>373,937</u>	<u>31,737</u>
Investment Income	<u>200,000</u>	<u>300,000</u>	<u>339,434</u>	<u>39,434</u>
Other				
Miscellaneous	120,000	100,000	81,354	(18,646)
Insurance reimbursement	-	19,700	29,786	10,086
Total Other	<u>120,000</u>	<u>119,700</u>	<u>111,140</u>	<u>(8,560)</u>
Total Revenues	<u>23,181,700</u>	<u>23,251,400</u>	<u>23,825,873</u>	<u>574,473</u>
EXPENDITURES				
Legislative				
Mayor's office	22,364	21,164	19,789	(1,375)
City council	127,449	128,649	128,637	(12)
Total Legislative	<u>149,813</u>	<u>149,813</u>	<u>148,426</u>	<u>(1,387)</u>
General Administration				
City clerk	327,499	334,499	334,160	(339)
Legal services	208,211	227,211	201,572	(25,639)
City administrator's office	400,495	400,495	347,314	(53,181)
Human resources	206,293	206,293	197,524	(8,769)

(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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
General Administration (Continued)				
Communications	209,494	203,494	190,703	(12,791)
Central services	96,675	102,675	101,494	(1,181)
Risk management	355,000	358,000	357,978	(22)
City administrator transition	118,332	114,332	55,967	(58,365)
Total General Administration	<u>1,921,999</u>	<u>1,946,999</u>	<u>1,786,712</u>	<u>(160,287)</u>
Finance and Accounting				
Finance	516,026	516,026	500,916	(15,110)
Geographic information services	170,735	170,735	168,084	(2,651)
Information technology	823,413	845,413	762,632	(82,781)
Total Finance And Accounting	<u>1,510,174</u>	<u>1,532,174</u>	<u>1,431,632</u>	<u>(100,542)</u>
Community Development				
Community development administration	277,721	277,721	271,950	(5,771)
Inspections	1,037,147	1,037,147	978,234	(58,913)
Economic development	2,025	77,025	65,192	(11,833)
Planning and zoning	414,228	454,228	428,405	(25,823)
Total Community Development	<u>1,731,121</u>	<u>1,846,121</u>	<u>1,743,781</u>	<u>(102,340)</u>
Public Works				
Administration and engineering	488,970	488,970	468,094	(20,876)
Roads and bridges	1,985,325	1,985,325	1,698,411	(286,914)
Trash hauling	1,880,952	1,880,952	1,880,081	(871)
Vehicle and equipment maintenance	511,108	511,108	447,422	(63,686)
Stormwater	568,370	568,370	560,947	(7,423)
Total Public Works	<u>5,434,725</u>	<u>5,434,725</u>	<u>5,054,955</u>	<u>(379,770)</u>
Police Services				
Police administration	355,083	355,083	351,440	(3,643)
Patrol	5,225,417	5,281,417	5,154,013	(127,404)
Investigations	1,507,565	1,507,565	1,476,059	(31,506)
Communications	946,882	946,882	931,777	(15,105)
Community services	1,004,719	933,719	916,387	(17,332)
Community response unit	1,310,655	1,315,655	1,211,081	(104,574)
Police records	185,671	185,671	182,445	(3,226)
Total Police Services	<u>10,535,992</u>	<u>10,525,992</u>	<u>10,223,202</u>	<u>(302,790)</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, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Judicial				
Municipal court	375,767	446,767	429,712	(17,055)
Parks and Recreation				
Government Center maintenance	573,954	585,954	516,391	(69,563)
Human Services				
Total Expenditures	346,922	361,922	337,171	(24,751)
	22,580,467	22,830,467	21,671,982	(1,158,485)
REVENUES OVER (UNDER)				
EXPENDITURES	601,233	420,933	2,153,891	1,732,958
OTHER FINANCING SOURCES (USES)				
Transfers out	(11,880,000)	(11,420,000)	(11,420,000)	-
Sale of capital assets	60,000	60,000	62,125	2,125
Total Other Financing Sources (Uses)	(11,820,000)	(11,360,000)	(11,357,875)	2,125
NET CHANGE IN FUND BALANCE	\$ (11,218,767)	(10,939,067)	(9,203,984)	1,735,083
FUND BALANCE, JANUARY 1			37,063,788	
FUND BALANCE, DECEMBER 31			\$ 27,859,804	

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, 2015

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Municipal Taxes				
Sales	\$ 3,800,000	3,800,000	4,343,270	543,270
Charges for services	1,134,000	1,134,000	1,273,308	139,308
Intergovernmental	25,000	536,211	61,111	(475,100)
Total Revenues	4,959,000	5,470,211	5,677,689	207,478
EXPENDITURES				
Parks and Recreation				
Park administration	306,249	306,249	305,135	(1,114)
Recreation	782,651	782,651	758,464	(24,187)
Community Centre	862,916	862,916	848,600	(14,316)
Aquaport	545,973	561,973	561,252	(721)
Park maintenance	998,760	982,760	924,853	(57,907)
Park capital project	-	813,721	319,840	(493,881)
Total Expenditures	3,496,549	4,310,270	3,718,144	(592,126)
REVENUES OVER (UNDER) EXPENDITURES	1,462,451	1,159,941	1,959,545	799,604
OTHER FINANCING USES				
Transfers out	(1,300,000)	(265,000)	(265,000)	-
NET CHANGE IN FUND BALANCE	\$ 162,451	894,941	1,694,545	799,604
FUND BALANCE, JANUARY 1			1,865,961	
FUND BALANCE, DECEMBER 31			\$ 3,560,506	

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY BASIS OF ACCOUNTING
FOR THE YEAR ENDED DECEMBER 31, 2015

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	Community Center Construction	Nonmajor
Fund balances:					
GAAP basis	\$ 27,764,722	3,660,773	8,497,747	18,172,713	8,891,795
Encumbrances outstanding at:					
December 31, 2015	(52,214)	(100,267)	(3,879,051)	(16,006,779)	(1,541,732)
Investments, FMV adjustment	147,296	-	-	-	-
Budget Basis	<u>\$ 27,859,804</u>	<u>3,560,506</u>	<u>4,618,696</u>	<u>2,165,934</u>	<u>7,350,063</u>
Net change in fund balances:					
GAAP basis	\$ (9,229,698)	1,794,812	3,524	16,546,172	107,692
Encumbrances outstanding at:					
December 31, 2014	82,358	-	565,736	421,586	202,608
December 31, 2015	(52,214)	(100,267)	(3,879,051)	(16,006,779)	(1,541,732)
Investment, FMV adjustment	(4,430)	-	-	-	-
Budget Basis	<u>\$ (9,203,984)</u>	<u>1,694,545</u>	<u>(3,309,791)</u>	<u>960,979</u>	<u>(1,231,432)</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2015

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.

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF CHANGES
IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
FOR THE YEAR ENDED DECEMBER 31, 2015

Total Pension Liability

Service cost	\$ 1,483,439
Interest on total pension liability	2,138,745
Difference between expected and actual experience	(1,325,737)
Benefit payments	(398,782)
Net Change In Total Pension Liability	1,897,665
Total Pension Liability Beginning	28,967,089
Total Pension Liability Ending (a)	\$ 30,864,754

Plan Fiduciary Net Position

Contributions - employer	\$ 1,766,469
Net investment income	580,792
Benefit payments, including refunds of employee contributions	(398,782)
Pension plan administrative expense	(22,744)
Other	1,050,917
Net Change In Plan Fiduciary Net Position	2,976,652
Plan Fiduciary Net Position Beginning	28,629,144
Plan Fiduciary Net Position Ending (b)	\$ 31,605,796

Net Pension Liability (Asset) Ending (a-b) \$ (741,042)

Plan Fiduciary Net Position as a Percentage
of the Total Pension Liability 102.40 %

Covered Employee Payroll (for February 28/29 Valuation) \$ 12,721,041

Net Pension Liability (Asset) as a Percentage
of Covered Employee Payroll (5.83) %

Notes:

Information is not available for fiscal years prior to 2015.

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

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

	For The Years Ended June 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined pension contribution	\$ 1,822,622	1,784,564	1,758,254	1,803,059	1,733,476	1,791,337	1,160,665	1,184,852	1,102,640	1,081,070
Contributions in relation to the actuarially determined contribution	1,822,622	1,784,565	1,758,255	1,803,059	1,733,477	1,767,039	1,629,848	1,184,691	1,102,577	1,045,563
Contribution Deficiency	\$ -	(1)	(1)	-	(1)	24,298	(469,183)	161	63	35,507
Covered Employee Payroll	\$ 13,259,307	12,453,424	12,121,594	12,191,005	11,912,688	12,149,139	12,030,308	11,900,162	11,081,144	10,697,187
Covered Employee Payroll Contributions as a Percentage of Covered Employee Payroll	13.75 %	14.33	14.51	14.79	14.55	14.54	13.55	9.96	9.95	9.77

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Multiple bases from 14 to 16 years
Asset valuation method	5 years smoothed market; 20% corridor
Inflation	3.5% wage inflation; 3% price inflation
Salary increases	3.5% to 6.8% including wage inflation
Investment rate of return	7.25%, net of investment and administrative expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	105% of the 1994 Group Annuity Mortality Table set back zero years for men and zero years for women. Based upon experience observed during the most recent 5-year period study, it appears that the current table provides for an approximate 13% margin for future mortality improvement.

Other information:

Notes: There were no benefit changes during the year.

OTHER SUPPLEMENTAL INFORMATION SECTION

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

SPECIAL REVENUE FUNDS

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

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

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

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

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.

DEBT SERVICES FUNDS

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

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR FUNDS
DECEMBER 31, 2015

	Street- light	Tourism Tax	Police Forfeitures	Storm Water	Sewer Lateral	Police Training
ASSETS						
Cash and investments	\$ 1,841,369	-	425,854	2,964,140	174,404	45,331
Cash and investments - restricted	-	-	-	-	-	-
Accounts receivable:						
Municipal taxes	82,407	59,924	-	-	85,603	-
Accrued interest	-	-	-	-	-	-
	-	-	-	-	-	-
Total Assets	\$ 1,923,776	59,924	425,854	2,964,140	260,007	45,331
LIABILITIES						
Accounts payable	\$ 38,018	-	2,272	119,551	13,394	850
Due to other funds	-	63,902	-	-	-	-
Unearned revenue	975	-	-	-	-	-
	38,993	63,902	2,272	119,551	13,394	850
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	41,324	-	-	-	-	-
FUND BALANCES						
Restricted for:						
Debt service	-	-	-	-	-	-
Police forfeitures	-	-	423,582	-	-	-
Storm water	-	-	-	2,844,589	-	-
Sewer lateral	-	-	-	-	246,613	-
Police training	-	-	-	-	-	44,481
Beautification	-	-	-	-	-	-
Tax increment funds	-	-	-	-	-	-
Committed for:						
Streetlighting	1,843,459	-	-	-	-	-
Unassigned	-	(3,978)	-	-	-	-
	1,843,459	(3,978)	423,582	2,844,589	246,613	44,481
Total Fund Balances	1,843,459	(3,978)	423,582	2,844,589	246,613	44,481
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 1,923,776	59,924	425,854	2,964,140	260,007	45,331

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR FUNDS
DECEMBER 31, 2015

	Beautifi- cation	South Heights TIF	Dorsett TIF	Special Revenue Total	Community Center Debt Service	Total
ASSETS						
Cash and investments	73,080	388,344	126,033	6,038,555	5,322	6,043,877
Cash and investments - restricted	-	1,451,712	-	1,451,712	1	1,451,713
Accounts receivable:						
Municipal taxes	-	1,356,349	104,246	1,688,529	-	1,688,529
Accrued interest	-	1,399	-	1,399	-	1,399
	<u>73,080</u>	<u>3,197,804</u>	<u>230,279</u>	<u>9,180,195</u>	<u>5,323</u>	<u>9,185,518</u>
Total Assets						
	<u>73,080</u>	<u>3,197,804</u>	<u>230,279</u>	<u>9,180,195</u>	<u>5,323</u>	<u>9,185,518</u>
LIABILITIES						
Accounts payable	-	-	482	174,567	1,669	176,236
Due to other funds	-	-	-	63,902	-	63,902
Unearned revenue	-	-	-	975	-	975
Total Liabilities	<u>-</u>	<u>-</u>	<u>482</u>	<u>239,444</u>	<u>1,669</u>	<u>241,113</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>-</u>	<u>10,734</u>	<u>552</u>	<u>52,610</u>	<u>-</u>	<u>52,610</u>
FUND BALANCES						
Restricted for:						
Debt service	-	1,451,712	-	1,451,712	3,654	1,455,366
Police forfeitures	-	-	-	423,582	-	423,582
Storm water	-	-	-	2,844,589	-	2,844,589
Sewer lateral	-	-	-	246,613	-	246,613
Police training	-	-	-	44,481	-	44,481
Beautification	73,080	-	-	73,080	-	73,080
Tax increment funds	-	1,735,358	229,245	1,964,603	-	1,964,603
Committed for:						
Streetlighting	-	-	-	1,843,459	-	1,843,459
Unassigned	-	-	-	(3,978)	-	(3,978)
Total Fund Balances	<u>73,080</u>	<u>3,187,070</u>	<u>229,245</u>	<u>8,888,141</u>	<u>3,654</u>	<u>8,891,795</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>73,080</u>	<u>3,197,804</u>	<u>230,279</u>	<u>9,180,195</u>	<u>5,323</u>	<u>9,185,518</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, 2015

	Street- light	Tourism Tax	Police Forfeitures	Storm Water	Sewer Lateral	Police Training
REVENUES						
Municipal taxes	\$ 558,613	281,017	-	-	363,841	-
Intergovernmental	-	-	59,893	-	-	12,250
Investment income	-	-	4,724	-	-	-
Total Revenues	<u>558,613</u>	<u>281,017</u>	<u>64,617</u>	<u>-</u>	<u>363,841</u>	<u>12,250</u>
EXPENDITURES						
Current:						
General administration	-	-	-	-	-	-
Community development	-	295,800	-	-	-	-
Public works	445,177	-	-	-	254,840	-
Police services	-	-	67,100	-	-	11,844
Capital outlay	13,670	-	68,552	279,268	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>458,847</u>	<u>295,800</u>	<u>135,652</u>	<u>279,268</u>	<u>254,840</u>	<u>11,844</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>99,766</u>	<u>(14,783)</u>	<u>(71,035)</u>	<u>(279,268)</u>	<u>109,001</u>	<u>406</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Sale of capital assets	-	-	6,250	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>6,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	99,766	(14,783)	(64,785)	(279,268)	109,001	406
FUND BALANCES, JANUARY 1	<u>1,743,693</u>	<u>10,805</u>	<u>488,367</u>	<u>3,123,857</u>	<u>137,612</u>	<u>44,075</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,843,459</u>	<u>(3,978)</u>	<u>423,582</u>	<u>2,844,589</u>	<u>246,613</u>	<u>44,481</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, 2015

	Beautifi- cation	South Heights TIF	Dorsett TIF	Special Revenue Total	Community Center Debt Service	Total
REVENUES						
Municipal taxes	11,158	3,258,267	149,200	4,622,096	-	4,622,096
Intergovernmental	-	-	-	72,143	-	72,143
Investment income	-	23,458	-	28,182	2	28,184
Total Revenues	<u>11,158</u>	<u>3,281,725</u>	<u>149,200</u>	<u>4,722,421</u>	<u>2</u>	<u>4,722,423</u>
EXPENDITURES						
Current:						
General administration	-	-	-	-	1,669	1,669
Community development	-	78,551	214,556	588,907	-	588,907
Public works	-	-	-	700,017	-	700,017
Police services	-	-	-	78,944	-	78,944
Capital outlay	-	-	-	361,490	-	361,490
Debt service:						
Principal	-	2,095,000	-	2,095,000	-	2,095,000
Interest	-	775,275	-	775,275	259,679	1,034,954
Total Expenditures	<u>-</u>	<u>2,948,826</u>	<u>214,556</u>	<u>4,599,633</u>	<u>261,348</u>	<u>4,860,981</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>11,158</u>	<u>332,899</u>	<u>(65,356)</u>	<u>122,788</u>	<u>(261,346)</u>	<u>(138,558)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	265,000	265,000
Transfers out	(25,000)	-	-	(25,000)	-	(25,000)
Sale of capital assets	-	-	-	6,250	-	6,250
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>(18,750)</u>	<u>265,000</u>	<u>246,250</u>
NET CHANGE IN FUND BALANCES	(13,842)	332,899	(65,356)	104,038	3,654	107,692
FUND BALANCES, JANUARY 1	<u>86,922</u>	<u>2,854,171</u>	<u>294,601</u>	<u>8,784,103</u>	<u>-</u>	<u>8,784,103</u>
FUND BALANCES, DECEMBER 31	<u><u>73,080</u></u>	<u><u>3,187,070</u></u>	<u><u>229,245</u></u>	<u><u>8,888,141</u></u>	<u><u>3,654</u></u>	<u><u>8,891,795</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
FOR THE YEAR ENDED DECEMBER 31, 2015

	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	\$ 583,000	558,613	(24,387)	285,000	281,017	(3,983)	-	-	-
Intergovernmental	-	-	-	-	-	-	50,000	59,893	9,893
Investment income	-	-	-	-	-	-	-	4,724	4,724
Other	-	-	-	-	-	-	-	-	-
Total Revenues	583,000	558,613	(24,387)	285,000	281,017	(3,983)	50,000	64,617	14,617
EXPENDITURES									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	295,805	295,800	(5)	-	-	-
Public works:									
Streetlight	482,200	445,177	(37,023)	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	134,000	13,191	(120,809)	-	-	-	-	-	-
Small storm water projects	-	-	-	-	-	-	-	-	-
Essex Tributary	-	-	-	-	-	-	-	-	-
Project monitoring	-	-	-	-	-	-	-	-	-
Fee Fee Road to Smiley	-	-	-	-	-	-	-	-	-
Diane Marie	-	-	-	-	-	-	-	-	-
Daley/Broadview/Gill	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	105,200	67,100	(38,100)
Capital outlay	-	-	-	-	-	-	143,100	68,552	(74,548)
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Trustee Fees	-	-	-	-	-	-	-	-	-
Total Expenditures	616,200	458,368	(157,832)	295,805	295,800	(5)	248,300	135,652	(112,648)
REVENUES OVER (UNDER) EXPENDITURES	(33,200)	100,245	133,445	(10,805)	(14,783)	(3,978)	(198,300)	(71,035)	127,265
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	6,250	6,250
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	6,250	6,250
NET CHANGE IN FUND BALANCES	\$ (33,200)	100,245	133,445	(10,805)	(14,783)	(3,978)	(198,300)	(64,785)	133,515
FUND BALANCES, JANUARY 1		1,675,014			10,805			488,367	
FUND BALANCES, DECEMBER 31		\$ 1,775,259			(3,978)			423,582	

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

	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	-	-	-	355,000	363,841	8,841	-	-	-
Intergovernmental	-	-	-	-	-	-	13,000	12,250	(750)
Investment income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	355,000	363,841	8,841	13,000	12,250	(750)
EXPENDITURES									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Sewer lateral	-	-	-	255,000	254,840	(160)	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Small storm water projects	295,000	124	(294,876)	-	-	-	-	-	-
Essex Tributary	1,061,300	627,494	(433,806)	-	-	-	-	-	-
Project monitoring	25,000	-	(25,000)	-	-	-	-	-	-
Fee Fee Road to Smiley	1,225,000	690,653	(534,347)	-	-	-	-	-	-
Diane Marie	110,000	109,600	(400)	-	-	-	-	-	-
Daley/Broadview/Gill	200,000	193,000	(7,000)	-	-	-	-	-	-
Police services	-	-	-	-	-	-	15,850	11,844	(4,006)
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Trustee Fees	-	-	-	-	-	-	-	-	-
Total Expenditures	2,916,300	1,620,871	(1,295,429)	255,000	254,840	(160)	15,850	11,844	(4,006)
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,916,300)</u>	<u>(1,620,871)</u>	<u>1,295,429</u>	<u>100,000</u>	<u>109,001</u>	<u>9,001</u>	<u>(2,850)</u>	<u>406</u>	<u>3,256</u>
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>(2,916,300)</u>	<u>(1,620,871)</u>	<u>1,295,429</u>	<u>100,000</u>	<u>109,001</u>	<u>9,001</u>	<u>(2,850)</u>	<u>406</u>	<u>3,256</u>
FUND BALANCES, JANUARY 1		3,002,428			137,612			44,075	
FUND BALANCES, DECEMBER 31		<u>1,381,557</u>			<u>246,613</u>			<u>44,481</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, 2015

	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	11,158	158	3,100,000	3,258,267	158,267	150,000	149,200	(800)
Intergovernmental	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	23,458	23,458	-	-	-
Other	-	-	-	-	-	-	-	293	293
Total Revenues	<u>11,000</u>	<u>11,158</u>	<u>158</u>	<u>3,100,000</u>	<u>3,281,725</u>	<u>181,725</u>	<u>150,000</u>	<u>149,493</u>	<u>(507)</u>
EXPENDITURES									
Current:									
Community development:									
Beautification	25,000	-	(25,000)	-	-	-	-	-	-
Economic development	-	-	-	105,000	78,551	(26,449)	240,000	212,849	(27,151)
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Small storm water projects	-	-	-	-	-	-	-	-	-
Essex Tributary	-	-	-	-	-	-	-	-	-
Project monitoring	-	-	-	-	-	-	-	-	-
Fee Fee Road to Smiley	-	-	-	-	-	-	-	-	-
Diane Marie	-	-	-	-	-	-	-	-	-
Daley/Broadview/Gill	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	2,140,000	2,095,000	(45,000)	-	-	-
Interest	-	-	-	855,000	775,275	(79,725)	-	-	-
Trustee Fees	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>3,100,000</u>	<u>2,948,826</u>	<u>(151,174)</u>	<u>240,000</u>	<u>212,849</u>	<u>(27,151)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(14,000)</u>	<u>11,158</u>	<u>25,158</u>	<u>-</u>	<u>332,899</u>	<u>332,899</u>	<u>(90,000)</u>	<u>(63,356)</u>	<u>26,644</u>
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	(25,000)	(25,000)	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<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>(39,000)</u>	<u>(13,842)</u>	<u>25,158</u>	<u>-</u>	<u>332,899</u>	<u>332,899</u>	<u>(90,000)</u>	<u>(63,356)</u>	<u>26,644</u>
FUND BALANCES, JANUARY 1		<u>86,922</u>			<u>2,854,171</u>			<u>282,101</u>	
FUND BALANCES, DECEMBER 31		<u>73,080</u>			<u>3,187,070</u>			<u>218,745</u>	

(Continued)

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

	Total Special Revenue Funds			Community Center Debt Service			Total Nonmajor Funds		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	4,484,000	4,622,096	138,096	-	-	-	4,484,000	4,622,096	138,096
Intergovernmental	63,000	72,143	9,143	-	-	-	63,000	72,143	9,143
Investment income	-	28,182	28,182	-	-	-	-	28,182	28,182
Other	-	293	293	-	2	2	-	295	295
Total Revenues	<u>4,547,000</u>	<u>4,722,714</u>	<u>175,714</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>4,547,000</u>	<u>4,722,716</u>	<u>175,716</u>
EXPENDITURES									
Current:									
Community development:									
Beautification	25,000	-	(25,000)	-	-	-	25,000	-	(25,000)
Economic development	345,000	291,400	(53,600)	-	-	-	345,000	291,400	(53,600)
Tourism	295,805	295,800	(5)	-	-	-	295,805	295,800	(5)
Public works:									
Streetlight	482,200	445,177	(37,023)	-	-	-	482,200	445,177	(37,023)
Sewer lateral	255,000	254,840	(160)	-	-	-	255,000	254,840	(160)
Public works projects:									
Streetlighting	134,000	13,191	(120,809)	-	-	-	134,000	13,191	(120,809)
Small storm water projects	295,000	124	(294,876)	-	-	-	295,000	124	(294,876)
Essex Tributary	1,061,300	627,494	(433,806)	-	-	-	1,061,300	627,494	(433,806)
Project monitoring	25,000	-	(25,000)	-	-	-	25,000	-	(25,000)
Fee Fee Road to Smiley	1,225,000	690,653	(534,347)	-	-	-	1,225,000	690,653	(534,347)
Diane Marie	110,000	109,600	(400)	-	-	-	110,000	109,600	(400)
Daley/Broadview/Gill	200,000	193,000	(7,000)	-	-	-	200,000	193,000	(7,000)
Police services	121,050	78,944	(42,106)	-	-	-	121,050	78,944	(42,106)
Capital outlay	143,100	68,552	(74,548)	-	-	-	143,100	68,552	(74,548)
Debt service:									
Principal	2,140,000	2,095,000	(45,000)	-	-	-	2,140,000	2,095,000	(45,000)
Interest	855,000	775,275	(79,725)	260,000	259,679	(321)	1,115,000	1,034,954	(80,046)
Trustee Fees	-	-	-	5,000	1,669	(3,331)	5,000	1,669	(3,331)
Total Expenditures	<u>7,712,455</u>	<u>5,939,050</u>	<u>(1,773,405)</u>	<u>265,000</u>	<u>261,348</u>	<u>(3,652)</u>	<u>7,977,455</u>	<u>6,200,398</u>	<u>(1,777,057)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(3,165,455)</u>	<u>(1,216,336)</u>	<u>1,949,119</u>	<u>(265,000)</u>	<u>(261,346)</u>	<u>3,654</u>	<u>(3,430,455)</u>	<u>(1,477,682)</u>	<u>1,952,773</u>
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	(25,000)	(25,000)	-	265,000	265,000	-	240,000	240,000	-
Sale of capital assets	-	6,250	(6,250)	-	-	-	-	6,250	6,250
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(18,750)</u>	<u>(6,250)</u>	<u>265,000</u>	<u>265,000</u>	<u>-</u>	<u>240,000</u>	<u>246,250</u>	<u>6,250</u>
NET CHANGE IN FUND BALANCES	<u>(3,190,455)</u>	<u>(1,235,086)</u>	<u>1,955,369</u>	<u>-</u>	<u>3,654</u>	<u>3,654</u>	<u>(3,190,455)</u>	<u>(1,231,432)</u>	<u>1,959,023</u>
FUND BALANCES, JANUARY 1		<u>8,581,495</u>			<u>-</u>			<u>8,581,495</u>	
FUND BALANCES, DECEMBER 31		<u>7,346,409</u>			<u>3,654</u>			<u>7,350,063</u>	

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

CAPITAL PROJECTS MAJOR FUNDS

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, 2015

	Revised Budget	Actual	Over (Under) Budget
REVENUES			
Municipal taxes - gaming	\$ 2,940,000	3,048,893	108,893
Intergovernmental	2,500,000	845,627	(1,654,373)
Unspent encumbrances	-	78,543	78,543
Contributions	500,000	-	(500,000)
Total Revenues	5,940,000	3,973,063	(1,966,937)
EXPENDITURES			
Capital projects:			
Capital projects management	603,848	477,517	(126,331)
Annual slab/sidewalk replacement	970,000	861,843	(108,157)
Right-of-way enhancement program	150,000	46,130	(103,870)
Fee Fee Road	250,000	-	(250,000)
Progress Parkway	4,085,000	4,083,162	(1,838)
Sidewalk construction	300,000	281,492	(18,508)
Adie Road phase III	670,000	656,354	(13,646)
Public works capital equipment	170,000	152,982	(17,018)
Dorsett Road great streets implementation	150,000	149,337	(663)
Delord Ave	130,000	76,992	(53,008)
Government center modifications	150,000	22,045	(127,955)
Total Expenditures	7,628,848	6,807,854	(820,994)
REVENUES OVER (UNDER) EXPENDITURES	(1,688,848)	(2,834,791)	(1,145,943)
OTHER FINANCING SOURCES (USES)			
Transfers in	25,000	25,000	-
Transfers out	(500,000)	(500,000)	-
Total Other Financing sources (uses)	(475,000)	(475,000)	-
NET CHANGE IN FUND BALANCE	\$ (2,163,848)	(3,309,791)	(1,145,943)
FUND BALANCE, JANUARY 1		7,928,487	
FUND BALANCE, DECEMBER 31		\$ 4,618,696	

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - COMMUNITY CENTER CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Revised Budget	Actual	Over (Under) Budget
REVENUES			
Investment income	\$ -	15,889	15,889
Total Revenues	-	15,889	15,889
EXPENDITURES			
Community center construction:			
Contracted services	-	28,643	28,643
Engineering	-	104,261	104,261
Construction	25,800,000	25,643,757	(156,243)
Debt service:			
Debt issuance costs	307,425	307,356	(69)
Total Expenditures	26,107,425	26,084,017	(23,408)
REVENUES OVER (UNDER) EXPENDITURES			
	(26,107,425)	(26,068,128)	39,297
OTHER FINANCING SOURCES			
Certificates of participation issued	15,000,000	15,000,000	-
Premium on certificates of participation	109,107	109,107	-
Transfers in	11,920,000	11,920,000	-
Total Other Financing Sources	27,029,107	27,029,107	-
NET CHANGE IN FUND BALANCE	\$ 921,682	960,979	39,297
FUND BALANCE, JANUARY 1		1,204,955	
FUND BALANCE, DECEMBER 31		\$ 2,165,934	

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, 2015

	Balance December 31 2014	Additions	Deletions	Balance December 31 2015
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 649,690	821,722	935,002	536,410
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Accounts payable	\$ -	128,890	128,890	-
Deposits held for others	649,690	455,691	568,971	536,410
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	\$ 649,690	584,581	697,861	536,410
	<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.	72 - 76
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources.	77 - 81
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.	82 - 85
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.	86 - 87
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.	88 - 90

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 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	128,803,131
Restricted for debt service	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	1,455,366
Restricted for other purposes	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	6,330,936
Unrestricted	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	43,027,838
Total Net Position	<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>	<u>179,617,271</u>

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

2015 was the first year of GASB 68 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Legislative	\$ 141,404	139,663	250,661	143,972	139,354	151,333	146,509	154,813	149,994	148,426
General administration	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	2,257,387
Finance and accounting	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	1,391,851
Community development	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	2,284,715
Public works	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	9,914,314
Police services	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	9,970,794
Judicial	256,874	298,553	340,239	364,290	369,343	384,507	404,990	365,548	373,615	420,936
Parks and recreation	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	4,628,668
Human services	270,752	277,368	290,000	297,482	335,929	345,412	308,068	304,450	320,681	330,720
Interest on long-term debt	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	1,415,025
Total Expenses	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	32,762,836
PROGRAM REVENUES										
Charges for services:										
Community development	615,292	891,115	1,264,873	565,128	548,343	693,710	785,193	853,298	754,823	968,997
Public works	220,067	219,762	220,351	202,644	205,216	226,215	205,730	203,981	359,902	363,841
Police services	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	2,292,517
Judicial	218,077	221,595	222,167	225,844	212,139	226,722	232,470	196,005	209,128	163,763
Parks and recreation	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	1,243,308
Human services	36,282	34,288	46,761	58,111	34,442	41,404	47,464	-	-	-
Operating grants and contributions	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	2,194,906
Capital grants and contributions	1,327,493	203,379	2,565,202	4,681,889	2,008,578	5,718,036	692,983	1,452,327	298,273	870,588
Total Program Revenues	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	8,097,920
NET REVENUE (EXPENSES)	(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)	(24,664,916)
GENERAL REVENUES										
Gaming tax	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	10,162,979
Sales taxes	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	8,627,676
Utility tax	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	6,100,744
Property tax from tax increment financing	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	3,140,626
Hotel/motel tax	134,637	276,208	262,225	245,429	221,098	258,243	272,650	269,679	280,805	281,017
Cigarette tax	90,784	86,913	84,448	75,226	73,636	73,265	75,256	72,934	71,097	78,983
Business license tax	517,842	747,092	584,968	719,273	623,532	681,544	641,768	656,251	654,600	644,833
Cable franchise tax	237,435	241,050	263,742	301,004	330,568	351,505	369,568	364,730	402,200	419,403
Investment earnings	2,739,645	3,847,575	3,068,687	857,212	579,077	1,094,251	481,387	1,163	608,117	387,937
Gain on sale of capital assets	-	210,399	223,620	6,300	106,592	-	-	-	-	-
Other	211,492	21,019	117,096	101,662	262,672	79,328	691,817	822,969	99,615	187,412
Special items	-	-	-	(5,554,074)	-	-	-	-	-	-
Total General Revenues	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	30,031,610
CHANGE IN NET POSITION	\$ 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	5,366,694

Special items:

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									
	2006	2007	2008	2009	2010	2011*	2012*	2013*	2014*	2015*
General Fund										
Reserved	\$ 8,617,908	7,742,975	8,086,849	3,038,497	5,433,310	625,450 †	465,823 †	629,137 †	706,824	611,145
Unreserved	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	27,153,577
Nonspendable						466,223	282,002	330,411	624,466	558,931
Restricted						-	-	-	-	-
Committed						143,842	161,220	236,061	49,469	-
Assigned						15,385	22,601	62,665	11,316,656	52,214
Unassigned						31,343,370	35,442,869	36,107,860	25,003,829	27,153,577
Total General Fund	\$ 31,624,139	36,696,296	41,481,854	28,976,175	30,441,069	31,968,820	35,908,692	36,736,997	36,994,420	27,764,722
All Other Governmental Funds										
Reserved	\$ 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	- ϕ
Unreserved, reported in:										
Special Revenue Funds	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	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	74,894	135,627	203,424	-	-	-	-	-	-	-
Nonspendable						-	9,000	-	11,270	1,760
Restricted						8,538,063	7,330,032	6,720,370	7,040,411	14,492,898
Committed						14,481,992	14,557,320	14,885,497	13,719,147	24,732,348
Assigned						-	-	-	-	-
Unassigned						-	-	(614)	-	(3,978)
Total All Other Govern- mental Funds	\$ 33,692,437	31,200,680	23,967,430	24,675,753	19,357,733	23,020,055	21,896,352	21,605,253	20,770,828	39,223,028

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Municipal taxes	\$ 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	30,822,485
Licenses, permits, fines, and fees	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	4,193,136
Charges for services	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	1,273,308
Intergovernmental	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	1,352,818
Investment income	2,739,645	3,847,575	3,068,687	857,212	579,077	1,094,251	481,387	1,163	608,117	387,937
Other	479,881	542,666	354,180	278,757	251,078	58,705	653,075	832,979	103,159	110,137
Total Revenues	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	38,139,821
EXPENDITURES										
Current:										
Legislative	141,404	139,663	250,661	143,972	139,354	151,333	146,509	154,813	149,994	148,426
General administration	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	1,785,619
Finance and accounting	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	1,405,982
Community development	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	2,382,157
Public works	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	5,724,245
Police services	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	10,143,534
Judicial	252,685	295,186	338,085	364,934	370,630	382,877	404,940	367,890	349,818	429,712
Parks and recreation	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	3,851,948
Human services	270,095	277,859	290,105	298,189	335,525	344,784	345,791	303,943	322,834	337,171
Capital outlay	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	14,448,697
Debt service:										
Principal	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	2,095,000
Issuance costs	-	692,563	-	-	-	-	-	-	-	307,356
Interest	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	1,034,954
Total Expenditures	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	44,094,801
REVENUES OVER (UNDER) EXPENDITURES	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)	(5,954,980)
OTHER FINANCING SOURCES (USES)										
Proceeds from certificates of participation issued	-	-	-	-	-	-	-	-	-	15,000,000
Premium on issuance of certificate of participation	-	-	-	-	-	-	-	-	-	109,107
Proceeds of tax increment financing notes	613,178	-	-	-	-	-	-	-	-	-
Proceeds of refinancing tax increment notes issued	-	23,194,813	-	-	-	-	-	-	-	-
Transfers in	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	12,210,000
Transfers out	(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)	(12,210,000)
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	653,112	2,653,185	-	-	154,506	-	69,444	63,333	33,488	68,375
Total Other Financing Sources (Uses)	1,266,290	7,856,666	934,461	-	154,506	54,099	69,444	63,333	33,488	15,177,482
NET CHANGES IN FUND BALANCES	\$ 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)	9,222,502
Debt service as a percentage of noncapital expenditures	13.72 %	12.06	13.84	26.12	3.75	10.55	9.03	8.97	8.37	10.13

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
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
2015	10,162,981	6,144,745	8,634,010	5,880,749	30,822,485

CITY OF MARYLAND HEIGHTS, MISSOURI

Gross Receipts Tax On Utilities - Rates, Direct And Overlapping

Last Ten Fiscal Years
(Modified accrual basis of accounting)

<u>Category Of Utility</u>	<u>For The Years Ended December 31</u>									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Electric	\$ 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	64,911,236
Gas	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	13,059,700
Telephone	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	27,278,891
Water	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	6,781,956
Total Gross Receipts Of Utilities	<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>	<u>112,031,783</u>
Rate	5.5 %	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Revenue	<u>\$ 4,299,207</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>	<u>6,161,748</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 law suit 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	2015			2006		
	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts
Ameren Missouri	\$ 64,911,236	1	58.10 %	\$ 45,292,182	1	57.94 %
Laclede Gas	13,020,955	2	11.65	17,673,355	2	22.61
Missouri-American Water Co.	6,781,956	3	6.07	4,371,673	4	5.59
AT&T Missouri (formerly, Southwestern Bell)	5,796,630	4	5.19	8,696,995	3	11.13
New Cingular Wireless PCS LLC (formerly, AT&T Mobility II LLC)	5,669,160	5	5.07	-	-	-
			<u>86.08 %</u>			<u>97.27 %</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>
2015	0.500 %	2.888 %	4.225 %	7.613 %
2014	0.500	2.888	4.225	7.613
2013	0.500	2.888	4.225	7.613
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

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 Ten Fiscal Years

Industry	2006		2007		2008		2009		2010	
	Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable Gross Receipts								
Wholesale trade - durable goods	\$ 133,230	14.78 %	\$ 134,865	15.46 %	\$ 53,576	7.08 %	\$ 46,477	6.81 %	\$ 42,823	6.31 %
Eating and drinking places	86,586	9.61	96,557	11.08	99,141	13.10	91,968	13.48	87,964	12.97
Miscellaneous services	80,464	8.93	81,870	9.39	80,739	10.66	75,907	11.13	96,893	14.28
Miscellaneous retail	105,405	11.80	96,410	11.06	54,503	7.20	43,879	6.43	42,921	6.33
Electric, gas, and sanitary services	53,148	5.90	58,406	6.70	36,210	4.78	38,841	5.69	38,725	5.71
Food stores	46,582	5.17	51,265	5.88	45,744	6.04	50,270	7.37	49,323	7.27
Amusement/recreation services, except motel	45,775	5.08	41,227	4.73	40,572	5.36	25,260	3.70	23,666	3.49
Hotels, rooming houses, and camps/other	52,521	5.82	52,243	5.99	51,921	6.86	41,844	6.13	40,651	5.99
Communication	33,751	3.74	38,582	4.43	37,937	5.01	37,631	5.52	33,144	4.88
Other	264,003	29.17	220,420	25.28	256,719	33.91	230,080	33.74	222,315	32.77
Total Taxable Sales	\$ 901,465	100.00 %	\$ 871,845	100.00 %	\$ 757,062	100.00 %	\$ 682,157	100.00 %	\$ 678,425	100.00 %

Industry	2011		2012		2013		2014		2015	
	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 %	\$ 55,914	6.61 %
Eating and drinking places	87,024	12.98	89,384	12.72	90,336	12.05	91,090	11.39	96,884	11.45
Miscellaneous services	95,900	14.31	115,728	16.47	156,850	20.93	176,943	22.12	176,657	20.87
Miscellaneous retail	39,452	5.88	40,626	5.78	41,098	5.48	49,991	6.25	51,368	6.07
Electric, gas, and sanitary services	42,496	6.34	42,099	5.99	44,243	5.90	44,398	5.55	44,848	5.30
Food stores	48,076	7.17	49,272	7.01	47,571	6.35	48,536	6.07	50,500	5.97
Amusement/recreation services, except motel	19,738	2.94	18,261	2.60	15,577	2.08	12,387	1.55	14,046	1.66
Hotels, rooming houses, and camps/other	43,309	6.46	47,258	6.73	48,626	6.49	49,129	6.14	51,193	6.05
Communication	29,597	4.41	24,546	3.50	22,713	3.03	24,707	3.09	24,567	2.90
Other	216,922	32.36	230,391	32.79	234,317	31.26	249,944	31.25	280,296	33.12
Total Taxable Sales	\$ 670,430	100.00 %	\$ 702,584	100.00 %	\$ 749,527	100.00 %	\$ 799,875	100.00 %	\$ 846,273	100.00 %

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>
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
2015	5,359	228,752	10,163	26.6

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Certificates of participation	\$ -	-	-	-	-	-	-	-	-	15,104,148
Tax increment notes and bonds*	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	10,544,250
Leasehold revenue bonds**	12,965,000	10,835,000	8,615,000	-	-	-	-	-	-	-
Total Debt Outstanding	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	25,648,398
Less - Reserve for debt service	(2,723,232)	(4,174,197)	(2,582,530)	(1,439,637)	(1,472,669)	(1,534,492)	(1,526,465)	(1,471,964)	(1,441,120)	(1,455,366)
Net Debt Outstanding	<u>\$ 27,144,987</u>	<u>28,777,653</u>	<u>27,384,620</u>	<u>19,092,903</u>	<u>18,015,081</u>	<u>16,093,558</u>	<u>14,506,885</u>	<u>12,851,686</u>	<u>11,177,830</u>	<u>24,193,032</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>812,814,064</u>	<u>812,814,064</u>	<u>812,814,064</u>	<u>812,814,064</u>
Debt As Percentage Of Personal Income	<u>3.98 %</u>	<u>4.22</u>	<u>4.02</u>	<u>2.80</u>	<u>2.64</u>	<u>2.36</u>	<u>1.78</u>	<u>1.58</u>	<u>1.38</u>	<u>2.98</u>
Population	<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>	<u>27,472</u>
Per Capita Debt	<u>\$ 993</u>	<u>1,052</u>	<u>1,001</u>	<u>698</u>	<u>659</u>	<u>586</u>	<u>528</u>	<u>468</u>	<u>407</u>	<u>881</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 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	103,026,022
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 96,326,049</u>	<u>108,045,042</u>	<u>108,318,995</u>	<u>103,009,992</u>	<u>102,084,063</u>	<u>98,726,303</u>	<u>108,501,346</u>	<u>102,570,821</u>	<u>102,151,581</u>	<u>103,026,022</u>

Calculation for Fiscal Year 2015:

Assessed value \$ 1,030,260,223

Debt limit--10% of assessed value \$ 103,026,022

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, 2015

	Debt Outstanding	Percent* Applicable To Maryland Heights	Amount Applicable To Maryland Heights
St. Louis County	\$ 105,615,000	4.82 %	\$ 5,090,643
Monarch Fire Protection District ¹	-	47.00	-
Metropolitan St. Louis Sewer District	1,136,638,860	10.04	114,118,542
Pattonville Fire Protection District ¹	15,325,000	35.55	5,448,038
Pattonville School District ¹	62,850,000	49.83	31,318,155
Parkway School District ¹	179,735,000	9.36	16,823,196
Special School District ¹	-	4.82	-
Maryland Heights Fire Protection District ¹	8,000,000	98.55	7,884,000
Creve Coeur Fire Protection District ¹	4,750,000	11.31	537,225
Subtotal, Overlapping Debt			181,219,799
City of Maryland Heights direct debt			25,648,398
Total Direct And Overlapping Debt			\$ 206,868,197

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

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

Source: The above-named jurisdictions

CITY OF MARYLAND HEIGHTS, MISSOURI

Pledged Revenue Coverage

Last Ten Fiscal Years

	For The Years Ended December 31									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tax increment financing (TIF) sales tax	\$ 94,351	103,059	114,432	94,424	105,868	128,017	124,599	102,994	153,157	250,629
TIF property tax	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	3,007,638
Total Available Revenue	\$ 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	3,258,267
Debt Service (interest due including increases to the notes)	\$ 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	2,870,275
Ratio	0.81	0.53	1.18	0.84	1.52	0.95	1.13	0.57	1.12	1.14
TIF notes issued:										
Series 2001A	\$ 36,643	61,018	-	-	-	-	-	-	-	-
Series 2001B	576,535	803,795	-	-	-	-	-	-	-	-
Total TIF Notes Issued During The Year	613,178	864,813	-	-	-	-	-	-	-	-
TIF notes outstanding at January 1	16,290,041	16,903,219	-	-	-	-	-	-	-	-
TIF notes refunded	-	-	-	-	-	-	-	-	-	-
TIF Notes Outstanding At December 31	\$ 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		\$ 22,330,000	-	-	-	-	-	-	-	-
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	12,690,000
Principal paid			785,000	840,000	1,065,000	1,880,000	1,615,000	1,730,000	1,725,000	2,095,000
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	10,595,000

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>	
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
2015	27,472	812,814	29,587	5,477	17,361	4.00

Source: Population and per capita personal income based on U.S. Census Bureau data
 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>2015</u>			<u>2006</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	6.51 %	-	-	- %
Edward Jones	1,690	2	4.10	1,649	3	3.00
Hollywood Casino St. Louis	1,374	3	3.34	-	-	-
United Health Care of the Midwest	900	4	2.19	900	5	1.64
The Boeing Group	876	5	2.13	-	-	-
World Wide Technologies	771	6	1.87	-	-	-
Elsevier Science	724	7	1.76	350	9	0.64
Schnucks Markets	635	8	1.54	743	6	1.35
Monsanto	553	9	1.34	-	-	-
TALX	511	10	1.24	998	4	1.81
Express Scripts, Inc.	-	-	-	2,005	1	3.65
Harrah's Casino	-	-	-	1,891	2	3.44
Quest Diagnostic Clinical Laboratories	-	-	-	521	7	0.95
Watlow Electric Manufacturing	-	-	-	465	8	0.85
St. Louis Post Dispatch	-	-	-	312	10	0.57
Total	<u>10,714</u>		<u>26.02 %</u>	<u>9,834</u>		<u>17.90 %</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government:										
Administration	10.89	9.39	8.89	9.10	8.25	7.50	7.50	8.75	8.75	9.75
Finance	10.00	9.25	9.25	9.25	9.00	9.00	9.00	9.25	9.25	9.00
Community development	16.75	17.50	19.42	20.25	19.45	19.25	19.25	18.25	19.25	19.25
Municipal court	4.25	4.75	5.27	5.65	5.65	5.65	5.65	5.65	4.30	5.30
Human services	2.40	2.40	2.40	2.40	2.80	2.80	2.80	3.60	1.80	1.90
Police:										
Officers	78.00	78.00	79.00	79.00	79.00	79.00	79.00	79.00	79.00	78.20
Civilians	18.15	18.40	19.20	19.20	19.20	19.20	18.20	18.20	18.80	17.90
Public works:										
Engineering and administration	4.25	4.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	4.00
Road and bridges	15.50	15.50	15.50	15.50	15.50	14.50	15.50	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	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Construction management	7.25	7.25	7.25	6.25	6.25	6.25	6.25	6.25	6.25	5.25
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	11.65	11.20	10.50	10.50	10.20	9.80	9.90	11.40	12.30
Community Centre	13.50	13.45	13.45	13.55	13.45	13.70	13.45	13.70	13.80	8.55
Government center maintenance	2.25	2.25	3.25	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Sportport	6.50	7.50	7.60	7.55	7.20	-	-	-	-	-
Aquaport	2.55	2.55	2.60	2.50	2.50	2.50	2.50	2.90	2.90	2.90
Parks maintenance	7.50	7.75	8.50	8.50	8.50	8.50	8.50	9.20	9.20	9.20
Total	223.34	223.84	231.03	232.45	230.25	221.05	220.40	223.15	222.20	216.00

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	26	26	26	26	26	26	26	26	26
Public works:										
Streets (miles)	95	95	97	97	97	97	97	97	97	97
Streetlights	1,820	1,870	1,893	1,904	1,922	1,948	1,956	1,956	1,961	1,948
Parks and recreation:										
Recreational facilities	7	8	8	8	8	8	8	8	8	8
Acreage ¹	107	107	107	123	123	123	123	123	123	123
Playgrounds	6	6	6	7	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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Adult arrests	4,754	4,694	4,482	4,617	4,708	5,020	5,184	4,947	4,730	4,655
Juvenile arrests	606	372	347	485	488	386	457	197	135	105
Hazardous citations	9,059	8,476	7,975	7,958	7,037	7,174	6,404	5,545	5,650	5,520
Nonhazardous citations	5,650	5,914	5,483	6,008	6,403	6,768	6,281	6,731	6,185	5,990
Emergency calls	572	495	514	410	438	422	357	574	554	566
Nonemergency calls	52,896	53,079	55,794	48,868	49,989	54,152	50,099	64,310	68,369	73,634
Public Works										
Street asphalt repairs tons	243	139	93	118	138	224	190	63	152	134
Street concrete repairs sq. yds.	34,763	32,088	28,610	41,335	66,357	31,408	34,980	43,644	20,767	12,097
Sidewalk replacement sq. ft.	29,409	28,997	26,892	39,685	41,016	19,801	8,557	19,932	14,608	2,763
Trees maintained	1,289	849	1,437	1,786	1,394	836	1,306	1,574	1,245	1,677
Stormwater inlet repairs	274	180	146	134	65	77	66	69	114	70
Sewer lateral repairs	56	65	51	56	58	51	64	48	61	73
Parks and Recreation										
Total programs offered	668	705	955	861	828	1,048	894	786	781	871
Total program registrations	7,739 ‡	7,308	6,890	6,933	7,091	7,142	7,556	7,071	7,888	5,910
Room set-ups	2,285	2,107	2,128	2,026	2,204	2,198	2,732	3,409	3,338	3,425
Room rentals	2,285	2,107	2,128	2,026	2,192	2,198	2,426	2,454	2,459	2,404
Rental attendance	85,701	83,470	83,873	69,527	74,510	68,178	82,096	65,954	72,756	74,276
Community Development										
Zoning permits	30	150	375	358	347	286	168	150	134	133
Business licenses	1,860	1,925	1,760	1,609	1,787	1,718	1,621	1,695	1,564	1,778
Building permits	737	790	790	904	716	1,229	1,675	1,727	1,254	1,280
Building inspections	2,750	3,410	4,150	3,328	3,237	5,099	4,955	3,901	3,035	3,534
Code inspections	1,834	1,021	1,089	1,554	1,717	1,532	2,483	1,693	1,421	2,384
Notice of code violation sent	600	470	348	703	650	606	934	473	362	528
Finance and Administration										
Bid solicitations	31	20	18	15	17	21	20	20	16	19
Press releases issued	47	38	32	25	35	30	30	25	4	10
Public inquiry responses - email	528	525	465	290	311	273	200	285	233	210

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

Source: Various City departments