

# City of Maryland Heights, Missouri



Comprehensive Annual Financial Report

For The Year Ended December 31, 2016

# **CITY OF MARYLAND HEIGHTS, MISSOURI**

## **Comprehensive Annual Financial Report For The Fiscal Year Ended December 31, 2016**

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, 2016**

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**MAYOR**

G. Michael Moeller

**CITY COUNCIL**

Gavin Park  
Donald A. Hunt  
Kimberly Baker  
Edwin L. Dirck, Jr.  
Charles Caverly  
James Carver  
Norman A. Rhea

**CITY ADMINISTRATOR**

Jim Krischke

**CITY CLERK**

Joann Cova

**CHIEF OF POLICE**

William Carson

**DIRECTOR OF PUBLIC WORKS**

Bryan Pearl

**DIRECTOR OF FINANCE**

David V. Watson

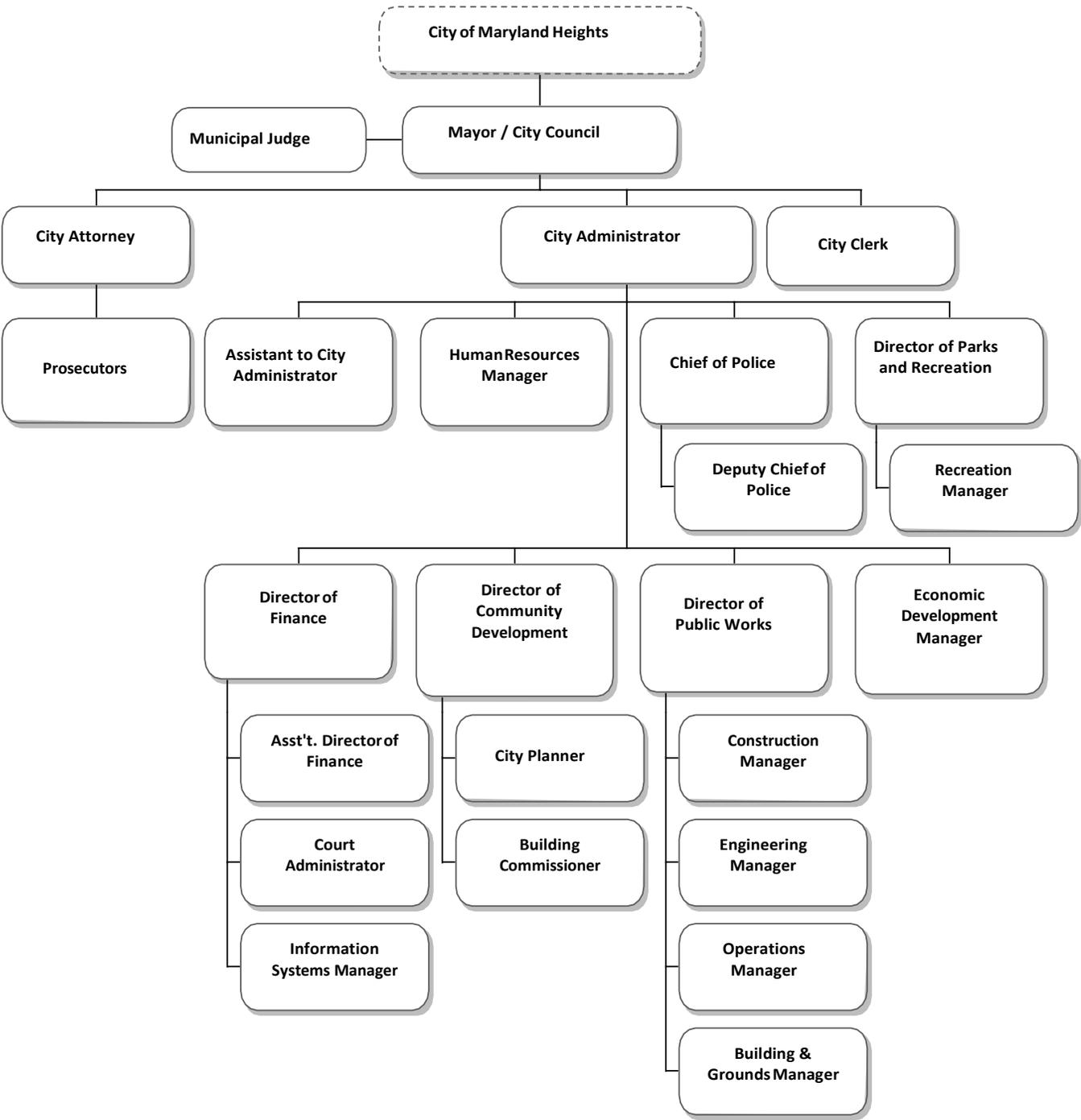
**DIRECTOR OF COMMUNITY DEVELOPMENT**

J. Wayne Oldroyd

**DIRECTOR OF PARKS AND RECREATION**

Tracey Anderson

# 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, 2015**

Executive Director/CEO



June 20, 2017

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, 2016, 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, 2016 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, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A, prepared by the City's Finance Department, can be found immediately following the independent auditor's report. Responsibility for both the accuracy of presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, are accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included.

### **Profile of the City**

The City is located approximately 20 miles northwest of downtown St. Louis, Missouri. The City covers about 23.4 square miles and serves a population of 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 48 through 51 as required supplemental information. For other governmental funds that have an adopted budget, comparison schedules are found in other supplemental information beginning on page 62.

### **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 remained strong in 2016. At year end five new hotels were in various stages of construction. Two large Maryland Heights-based businesses continued construction of new facilities including World Wide Technology's headquarters and Watlow Electric. Three additional businesses are relocating and/or expanding their operations within Maryland Heights. The City's first large scale residential development in nearly 20 years entered the permit and planning process. Other projects include the continued construction of the Maryland Heights Community Center, the Humane Society of Missouri's pet adoption center and Ranken Jordan Pediatric Bridge Hospital.

**Riverboat Gaming.** A large portion (about 25% in 2016) 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 \$21 million are planned for the years 2017 through 2021. 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 2016.

### **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 2017 with the opening of the new community center. The 93,000 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, 2015. This is the 28th 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, 2015. 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.

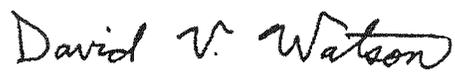
In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended December 31, 2016. In order to qualify for the award, the City's budget document was judged to be proficient in several categories, including as a policy document, 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,

  
\_\_\_\_\_  
Jim Kruschke  
City Administrator

  
\_\_\_\_\_  
David V. Watson  
Director of Finance

**SECTION II - FINANCIAL SECTION**



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

## INDEPENDENT AUDITOR'S REPORT

June 20, 2017

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, 2016, 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, 2016, 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 20, 2017 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, 2016

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, 2016. 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 \$185,684,592 ("net position"). Of this amount, \$41,886,551 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 \$5,583,774 due to revenues exceeding expenses by that amount.
- As of the close of fiscal year 2016, the City's governmental funds reported combined ending fund balances of \$54,451,518, a decrease of \$12,536,232 in comparison with the prior year. The amount of unrestricted fund balances available for future spending was \$48,251,307 or 89% of the total. (See description on following pages, "fund financial statements".)
- At the end of 2016, unassigned fund balance for the General Fund was \$28,839,414 or 130% of total General Fund expenditures for the year. This represents an increase from \$27,153,577 in 2015. Total General Fund balance increased slightly from \$27,764,722 to \$29,554,008 due to conservative spending.
- The City's major source of revenue - gaming taxes (taxes on casino gambling) - totaled \$10,413,257 in 2016 or 24.9% of governmental fund total revenues. This represents an increase of 2.5% from 2015. Due to competitive forces and decline in the regional gaming market this source of revenue had declined steadily from 2006 prior to 2014.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements.

There are three components to the basic statements:

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

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

### Government-wide Financial Statements

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

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2016

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 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 four major funds: General Fund, Special Park Fund, Capital Improvements Fund, and Community

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2016

Center Construction 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 46 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 55 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 70 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 \$185,684,592 at the close of the most recent fiscal year ended December 31, 2016.

During the year ended December 31, 2016, the City adopted Governmental Accounting Standards Board Statement (GASB) No. 72, Fair Value Measurement and Application, which resulted in additional disclosure of fair value of investments and GASB 77, Tax Abatement Disclosures, which resulted in new disclosures of tax abatements.

By far the largest portion of the City's net position (74%) reflects its investment in capital assets (e.g.; land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. 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:

**CITY OF MARYLAND HEIGHTS, MISSOURI**

Management's Discussion and Analysis

For The Year Ended December 31, 2016

	<u>December 31</u>	
	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current and other assets	\$ 60,224,047	72,964,079
Capital assets, net	<u>152,729,472</u>	<u>136,927,088</u>
Total Assets	<u>212,953,519</u>	<u>209,844,076</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	<u>5,568,938</u>	<u>2,220,232</u>
<b>LIABILITIES</b>		
Long-term liabilities	27,496,490	27,602,965
Other liabilities	<u>4,312,320</u>	<u>3,679,777</u>
Total Liabilities	<u>31,808,810</u>	<u>31,282,742</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	<u>1,029,055</u>	<u>1,164,295</u>
<b>NET POSITION</b>		
Net investment in capital assets	138,230,734	128,803,131
Restricted	5,567,307	7,786,302
Unrestricted	<u>41,886,551</u>	<u>43,027,838</u>
Total Net Position	<u>\$185,684,592</u>	<u>179,617,271</u>

An additional portion of the City's net position (3%) represents restricted assets, resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$41,886,551) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the 2016 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 \$5,583,774. Key elements of this increase are as follows:

**CITY OF MARYLAND HEIGHTS, MISSOURI**

Management's Discussion and Analysis

For The Year Ended December 31, 2016

	<b>For The Years</b>	
	<b>Ended December 31</b>	
	<b>2016</b>	<b>2015</b>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 4,612,504	5,032,426
Operating grants and contributions	2,177,867	2,194,906
Capital grants and contributions	4,782,425	870,588
General revenues:		
Gaming tax	10,413,257	10,162,979
Sales tax	8,608,862	8,627,676
Utility tax	5,856,808	6,100,744
Property tax from tax increment financing	3,103,000	3,140,626
Other taxes	392,045	360,000
Licenses and permits	1,039,916	1,064,236
Investment earnings	384,179	387,937
Other	<u>228,214</u>	<u>187,412</u>
Total Revenues	<u>41,599,077</u>	<u>38,129,530</u>
<b>EXPENSES</b>		
Governmental activities:		
Legislative	196,712	148,426
General administration	2,429,857	2,257,387
Finance and accounting	1,439,402	1,391,851
Community development	2,133,831	2,284,715
Public works	10,330,201	9,914,314
Police services	11,049,136	9,970,794
Judicial	435,527	420,936
Parks and recreation activities	6,668,813	4,628,668
Human services	327,392	330,720
Interest on long-term debt	<u>1,004,432</u>	<u>1,415,025</u>
Total Expenses	<u>36,015,303</u>	<u>32,762,836</u>
<b>CHANGE IN NET POSITION</b>	5,583,774	5,366,694
<b>NET POSITION, JANUARY 1</b>	180,100,818	174,250,577
<b>RESTATEMENT</b>	<u>-</u>	<u>483,547</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$185,684,592</u>	<u>180,100,818</u>

**SIGNIFICANT CHANGES IN FUND NET POSITION**

The increase in net position of \$5,583,774 is attributed to the ongoing situation of revenues exceeding expenses. In 2016, the City's governmental funds decreased \$12.5m - a difference of \$18.1m between the increase in net

## **CITY OF MARYLAND HEIGHTS, MISSOURI**

### **Management's Discussion and Analysis**

**For The Year Ended December 31, 2016**

position and the decrease of fund balances. The City invested in new capital assets and extending the life of infrastructure assets, an increase of \$15.8m net of depreciation, retirements, and transfers. Further, repayment of principal on long-term liabilities amounted to \$3m in 2016.

Expenses for 2016 were 9.9% higher than 2015 while revenues increased by 9.1%.

Intergovernmental revenues for capital grants and contributions from private concerns for infrastructure projects increased \$3.9m in 2016 from 2015. Notably, in 2016 the City received \$1.7m in federal assistance and a private contribution of \$679k for improvements to Progress Parkway, federal assistance of \$1.7m for Adie Road and \$651k from a local Park Commission grant for park improvements.

The City's largest revenue source, gaming taxes, which accounts for about 25.0% of the total revenue was up 2.5% (\$250,278) from 2015. This was an increase from 2015, which marked the second year in a row of gaming tax increase since 2006.

Sales taxes, which comprise 21% of 2016 revenues, were virtually unchanged from 2015 (decrease of .2%).

Gross receipts taxes on utilities (13% of total revenues) were down \$244k (4%) in 2016 due to lower natural gas and telecommunication revenues.

Charges for services decreased \$420k in 2016. There are three main components of this source. Recreation revenue fell \$356k from 2015 due to the transition to a new community center (which opened in 2017); the old center was demolished in 2016. Court revenues declined \$687k as a result of new state legislation that limits municipal fines. These decreases in revenue were somewhat offset by a large increase in building and occupancy permit revenue which was \$649k higher in 2016 as the City experienced a building boom in the commercial area.

Total expenses increased \$3.3 million (9.9%) in 2016 primarily due to \$2.1 million loss on disposal of the old Community Center and a pension expense of \$2.3m in 2016 compared to \$587k in 2015 (a difference of \$1.8 m).

The Community Center disposal loss accounts for most of the increase in Parks and Recreation expenses. A new \$30 million facility opened in the spring of 2017.

The increase in pension expense is reflected in all Government Activities but particularly in the Police Department. The expenses for police increased 10.8%, most of it related to the recognition of the pension costs.

Interest on long-term debt decreased 29.0% (\$411k) in 2016 due to lower outstanding debt as 2016 was the first year of principal payments on the debt issued in 2016 for the construction of the Community Center.

### **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.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2016

**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 2016, the City's governmental funds reported combined ending fund balances of \$54,451,518, a decrease of \$12,536,232 from 2015. The decrease is mainly due to \$13m of expenditures in 2016 for construction of the Community Center. The City financed the construction with a combination of existing fund balances and issuance of \$15 million in debt in 2015.

Over 52% of the total governmental fund balances (\$28,839,414) at December 31, 2016 constitute *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of the fund balance consists of nonspendable funds of \$654,231, restricted balances of \$5,545,980, committed balances of \$19,396,145, and assigned balances of \$15,748.

The nonspendable funds represent prepaid expenditures existing at December 31, 2016.

The restricted funds are comprised of resources that have enforceable limitations on their use that include debt service (\$1,469,745), police services (\$265,648), storm water projects and services (\$1,152,806), police officer training (\$37,492), sewer lateral (\$382,666), beautification (\$29,174), tourism (\$31,936) and tax increment financing (\$2,176,513).

The committed funds are those that the City Council, through formal action, has imposed constraints on their use and consist of parks and recreation (\$4,708,431), capital improvements (\$12,777,016) including \$5.1 million for the completion of the new community center construction, streetlighting (\$1,866,083) and funds committed for to use for specific supplies, services, and other current expenditures (\$44,615).

The assigned balance consists of funds that the City intends to use for specific supplies, services, and other current expenditures (\$15,748) 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 2016 the City distributed 70% of the gaming taxes to the General Fund compared to 25% in 2009.

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 130% of the total General Fund's expenditures. The General Fund's total balance represents 134% of 2016 expenditures.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2016

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 years. In 2016, expenditures of \$13.1 million on the project resulted in a fund balance of \$5.1 million at year-end. The facility opened in spring 2017 at a total cost of \$30 million.

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

- In 2016 the Special Park Fund increased \$1,047,658, due to revenues exceeding expenditures by \$2,032,658 less a transfer to the Community Center Debt Service Fund of \$985,000 (represents the 2016 debt service due on the bonds issued in January, 2015) to a fund balance of \$4,708,431. Revenues in the fund are comprised of a sales tax restricted for parks, user fees, and grants.
- The Capital Improvements Fund decreased \$2,525,296 in 2016 due to expenditures exceeding revenue by \$2,579,221 less a transfer in of \$53,925 from the Beautification Fund. Revenues in the fund consist primarily of a portion (30%) of the gaming tax revenue, grant revenues and contributions from private parties related to specific infrastructure projects. The fund balance at December 31, 2016 was \$8,817,040 of which \$680k 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 2016, the cash (and cash equivalents) had increased \$60,368 (to \$596,778) from 2015 due to normal activity. Municipal court bonds represent about 21% 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 2016, investments had a net increase in value of \$226,452. Benefits totaling \$41,962 were paid during 2016. The fund had \$3,350,608 in assets at December 31, 2016.

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 2016 budget for the City's General Fund represents an original expenditure budget of \$23,042,923 with a net increase of \$113,595 to \$23,156,518, an adjustment of 0.5%. The changes during the year were as follows:

## CITY OF MARYLAND HEIGHTS, MISSOURI

### Management's Discussion and Analysis

For The Year Ended December 31, 2016

- An increase in the legislative department of \$45,000 to fund an assessment of the police department operations and report to the Mayor and Council. This was not anticipated when the original 2016 budget was prepared
- A net decrease in the administration department of \$5,000. An increase of \$85,000 in the legal services program of the administration department to provide funds for legal services related to personnel matters that were unanticipated. Reductions were made in the other department programs primarily due to un-filled vacant personnel positions.
- An increase of \$80,000 in the community development department to fund economic development activities for incentive programs on specific projects that were not planned in the original budget.
- A decrease in public works department budget of \$70,000 was made after a review of needed funding for the roads and bridges program. Costs for snow removal, motor fuel, and personnel were revised.
- A net increase of \$63,595 in the police department budget was made to fund an additional full-time dispatcher position (\$50,000), a sick leave payout for a retiree (\$25,000) and a new patrol vehicle to replace one damaged in an accident. These expenditures were not planned in the original 2016 budget. These increases were partially offset by a reduction in the estimated cost for motor vehicle fuel (\$40,000).

The City revises revenue estimates as information becomes available. General Fund 2016 revenue estimates were increased by a net of \$96,000 (0.4%).

Increases to the estimates for investment income (\$25,000), miscellaneous income (\$75,000), insurance reimbursements (damaged police vehicle) of \$26,000 and charges for services-building permits (\$270,000) totaled \$396,000. Decreases to the expected electric utility gross receipts tax (\$50,000), gas utility gross receipts tax (\$150,000), and municipal court fees and fines (\$100,000) totaled \$300,000.

The General Fund ended the year with budgetary revenues exceeding expenditures by \$1,777,170. Other financing sources and uses netted an increase in budgetary fund balance of \$65,050. The other financing sources consisted of proceeds from the sale of assets. The result was a total increase in budgetary funds of \$1,842,220 in 2016 to \$29,702,024 at year-end.

The actual General Fund revenues and expenditures for the year varied slightly from the 2016 amended budget. Total actual revenues were 3.0% (\$708k) higher than budgeted and total actual expenditures were 4.4% (\$1m) lower than budgeted. The noteworthy variances were:

- Gaming taxes were up 2.5% in 2016. The revised budget assumed a slight decrease. The taxes had dropped the five years 2011 to 2015. The General Fund's share was \$289,280 higher than the amended budget.
- Utility gross receipts taxes in 2016 were 3% (\$163k) under the revised budget. Actual revenue from this source was down 4.8% (\$269k) from 2015. Three components of the tax decreased in 2016: electric, gas and telecommunications. Electric utility gross receipts decreased 3.3% (\$106), gas decreased 21.6% (\$116k), and telecommunications fell 5.0% (\$69k). Mild weather contributed to lower than expected electric and gas utility taxes; in addition, natural gas prices remained low.
- Court fees and fines were \$192,172 (12%) lower than the revised budget forecast. Changes in the revenue as a result of state-imposed limitations were expected but not to the extent that was experienced. Actual revenue fell 32% from 2015.

**CITY OF MARYLAND HEIGHTS, MISSOURI**

Management’s Discussion and Analysis

For The Year Ended December 31, 2016

- Investment income exceeded the budget by \$143,673 as the amount of available investable funds was higher than expected.
- Building permits were higher than expected reflecting high commercial construction activity during 2016. This contributed to the actual “charges for services” revenue exceeding the budget in 2016 by \$584,858.
- A new grant (“Crimes Against Children”) was received in 2016 to cover certain public safety expenditures. The 2016 budget did not anticipate this revenue source of \$71k.
- Expenditures were \$1.0m below budgeted levels in 2016 of which \$324k was comprised of lower than budgeted personnel costs due to employee turnover, lower than expected costs for employee health benefits. Street maintenance expenditures for contractual and commodities were \$225k lower than budgeted including over \$92k in snow removal costs. Information technology expenditures for software updates, equipment repair and replacement assets were \$150k less than expected. Various expenditures throughout the General Fund programs netted \$300k less than provided in the 2016 budget.

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, 2016 amounts to \$152,729,472 (net of accumulated depreciation). This investment includes land, construction in progress, vehicles, equipment, buildings, park facilities, roads, bridges, and sidewalks. This represents a net increase for the current fiscal year (including additions and deductions) of \$15,802,384 or 11.5% more than last year. Construction in progress increased \$15.5 million of which \$13.1 million related to the construction of a new community center plus outlay on infrastructure assets of \$5.2 million (of which \$3.1 million was the Adie Road project) less the transfer of costs of \$2.8 million to Land and Infrastructure upon the completion of Progress Parkway and Diane Marie stormwater improvements. Increases in other capital asset categories relate to various additions to assets totaling \$5.1m exceeding depreciation expense of \$4.8m. Buildings decreased \$2.7 million due to increased depreciation and the removal (demolition) of the old community center.

	<b>December 31</b>	
	<b>2016</b>	<b>2015</b>
Land and improvements	\$ 12,299,105	12,648,085
Buildings	15,970,659	18,653,232
Machinery and equipment	903,750	1,084,830
Software	59,941	75,142
Automobiles and trucks	1,942,816	1,868,630
Infrastructure	89,978,780	86,482,724
Construction in progress	<u>31,574,421</u>	<u>16,114,445</u>
Total	<u>\$152,729,472</u>	<u>136,927,088</u>

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2016

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the 2016 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 34 through 36 of this report.

### Long-term Debt

At the end of 2016, the City had total long-term debt obligations (net of unamortized discount and premium) for governmental activities in the amount of \$22,628,288 compared to \$25,648,398 at the end of 2015. None of the debt outstanding represents general obligation bonds.

	For The Years		Percentage Change
	Ended December 31		
	2016	2015	
<b>Governmental activities</b>			
Community Center COPs	\$14,498,738	15,104,148	(0.4%)
South Heights TIF District bonds	<u>8,129,550</u>	<u>10,544,250</u>	(22.9)
Total	<u>\$22,628,288</u>	<u>25,648,398</u>	23.3%

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 2016 a total of \$2,435,000 less bond discounts of \$20,300 were retired. The resulting balance of bonds less unamortized discount was \$8,129,550.

During 2016 a total of \$600,000 plus certificates of participation premium of \$5,410 were retired. The resulting balance of certificates of participation plus unamortized premium was \$14,498,738.

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 2016 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 37 and 38 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The City's 2017 annual budget projects total expenditures of \$39,154,224, including capital investments of \$5.2 million.
- In 2017 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.

## **CITY OF MARYLAND HEIGHTS, MISSOURI**

### **Management's Discussion and Analysis**

**For The Year Ended December 31, 2016**

- 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 2017 to 2021 projects investment in infrastructure improvements, major equipment, and facilities of about \$21 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 2016 gaming tax revenue increased 2.5% from 2015 which had increased 4.7% from 2014.
- The 2017 opening of a new 93,000 square foot community center will increase the city's recreation and fitness opportunities to the community. This new level of services brings a certain amount of uncertainty of future costs and user fees. 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.
- During 2017 the City has committed to contribute up to \$5 million for the construction and related infrastructure of a new indoor/outdoor ice arena proposed by the St. Louis Legacy Ice Foundation, a not-for-profit corporation. Further, beginning in 2018, the City will make annual payments of \$100,000 (with an escalator of 1% each year) for 30 years. The City will receive recreational use of the facility, promotional activities, and economic development benefits. The contracts are contingent on approvals needed from state, county, and federal governments and private parties. The initial contribution will reduce the City's unassigned General Fund balance to about \$23 million.

### **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, 2016**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 50,170,281
Receivables	7,734,306
Prepaid items	654,231
Restricted assets - cash and investments	1,461,299
Net OPEB asset	203,930
Capital assets not being depreciated:	
Land	7,731,270
Infrastructure	34,430,064
Construction in progress	31,574,421
Capital assets, net of accumulated depreciation:	
Buildings	15,970,659
Other improvements	4,567,836
Machinery and equipment	903,750
Software	59,941
Automobiles and trucks	1,942,816
Infrastructure	55,548,715
Total Assets	212,953,519
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	5,568,938
 <b>LIABILITIES</b>	
Accounts payable	3,521,547
Accrued interest	268,158
Accrued payroll	508,894
Unearned revenue	13,721
Noncurrent liabilities:	
Due within one year	3,204,144
Due in more than one year	20,801,432
Due in more than one year - net pension liability	3,490,914
Total Liabilities	31,808,810
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	1,029,055
 <b>NET POSITION</b>	
Net investment in capital assets	138,230,734
Restricted for:	
Debt service	1,469,745
Storm water	1,152,806
Tax increment funds	2,197,840
Other purposes	746,916
Unrestricted	41,886,551
Total Net Position	\$ 185,684,592

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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	
<b>Governmental Activities</b>					
Legislative	\$ 196,712	-	-	-	(196,712)
General administration	2,429,857	-	-	-	(2,429,857)
Finance and accounting	1,439,402	-	-	-	(1,439,402)
Community development	2,133,831	1,641,041	-	-	(492,790)
Public works	10,330,201	364,313	2,027,646	4,131,152	(3,807,090)
Police services	11,049,136	1,603,195	136,439	-	(9,309,502)
Judicial	435,527	100,127	-	-	(335,400)
Parks and recreation	6,668,813	903,828	13,782	651,273	(5,099,930)
Human services	327,392	-	-	-	(327,392)
Interest and fiscal charges on long-term debt	1,004,432	-	-	-	(1,004,432)
Total Governmental Activities	<u>\$ 36,015,303</u>	<u>4,612,504</u>	<u>2,177,867</u>	<u>4,782,425</u>	<u>(24,442,507)</u>
<b>General Revenues</b>					
Gaming tax					10,413,257
Sales tax					8,608,862
Utility tax					5,856,808
Property tax from tax increment financing					3,103,000
Hotel/motel tax					316,937
Cigarette tax					75,108
Business license tax					642,673
Cable franchise tax					397,243
Investment earnings					384,179
Other					228,214
Total General Revenues					<u>30,026,281</u>
<b>CHANGE IN NET POSITION</b>					5,583,774
NET POSITION, JANUARY 1					<u>180,100,818</u>
<b>NET POSITION, DECEMBER 31</b>					<u>\$ 185,684,592</u>

See notes to financial statements

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2016**

	Major Funds					Total Governmental Funds
	General	Special Park	Capital Improvements	Community Center Construction	Nonmajor Governmental Funds	
<b>ASSETS</b>						
Cash and investments	\$ 27,586,282	3,944,286	7,894,219	7,558,829	3,186,665	50,170,281
Cash and investments - restricted	-	-	-	-	1,461,299	1,461,299
Accounts receivable:						
Municipal taxes	2,787,851	547,097	547,421	-	1,844,830	5,727,199
Licenses, permits, fines, and fees	572,667	-	-	-	-	572,667
Intergovernmental	-	651,052	-	-	-	651,052
Accrued interest	102,976	-	-	-	1,399	104,375
Due from others	-	-	679,013	-	-	679,013
Prepaid items	654,231	-	-	-	-	654,231
Due from other funds	38,385	-	-	-	-	38,385
	<u>31,742,392</u>	<u>5,142,435</u>	<u>9,120,653</u>	<u>7,558,829</u>	<u>6,494,193</u>	<u>60,058,502</u>
Total Assets						
	<u>\$ 31,742,392</u>	<u>5,142,435</u>	<u>9,120,653</u>	<u>7,558,829</u>	<u>6,494,193</u>	<u>60,058,502</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 431,944	217,142	298,480	2,446,047	127,934	3,521,547
Accrued payroll	478,470	25,291	5,133	-	-	508,894
Due to other funds	-	-	-	-	38,385	38,385
Unearned revenue	12,474	-	-	-	1,247	13,721
	<u>922,888</u>	<u>242,433</u>	<u>303,613</u>	<u>2,446,047</u>	<u>167,566</u>	<u>4,082,547</u>
Total Liabilities						
	<u>922,888</u>	<u>242,433</u>	<u>303,613</u>	<u>2,446,047</u>	<u>167,566</u>	<u>4,082,547</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	1,265,496	191,571	-	-	67,370	1,524,437
	<u>1,265,496</u>	<u>191,571</u>	<u>-</u>	<u>-</u>	<u>67,370</u>	<u>1,524,437</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid items	654,231	-	-	-	-	654,231
Restricted for:						
Debt service	-	-	-	-	1,469,745	1,469,745
Police forfeitures	-	-	-	-	265,648	265,648
Storm water	-	-	1,152,806	-	-	1,152,806
Sewer lateral	-	-	-	-	382,666	382,666
Police training	-	-	-	-	37,492	37,492
Beautification	-	-	-	-	29,174	29,174
Tax increment funds	-	-	-	-	2,176,513	2,176,513
Tourism tax	-	-	-	-	31,936	31,936
Committed for:						
Parks	-	4,708,431	-	-	-	4,708,431
Capital improvements	-	-	7,664,234	5,112,782	-	12,777,016
Streetlighting	-	-	-	-	1,866,083	1,866,083
Purchases on order	44,615	-	-	-	-	44,615
Assigned for:						
Purchases on order	15,748	-	-	-	-	15,748
Unassigned	28,839,414	-	-	-	-	28,839,414
	<u>29,554,008</u>	<u>4,708,431</u>	<u>8,817,040</u>	<u>5,112,782</u>	<u>6,259,257</u>	<u>54,451,518</u>
Total Fund Balances						
	<u>29,554,008</u>	<u>4,708,431</u>	<u>8,817,040</u>	<u>5,112,782</u>	<u>6,259,257</u>	<u>54,451,518</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 31,742,392</u>	<u>5,142,435</u>	<u>9,120,653</u>	<u>7,558,829</u>	<u>6,494,193</u>	<u>60,058,502</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2016**

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Total Fund Balances - Total Governmental Funds	\$ 54,451,518
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 \$220,913,287 and the accumulated depreciation is \$68,183,815.	152,729,472
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.	1,524,437
Certain items are not financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension liability	(3,490,914)
Deferred outflows related to pensions	5,568,938
Deferred inflows related to pensions	(1,029,055)
Net OPEB asset	203,930
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	(22,560,000)
Bond discount	30,450
Certificates of participation premium	(98,738)
Interest on long-term debt is recognized as an expenditure when due in the governmental funds.	(268,158)
Compensated absences are not reported in the governmental funds.	<u>(1,377,288)</u>
Total Net Position Of Governmental Activities	<u><u>\$ 185,684,592</u></u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>Major Funds</b>					<b>Total Governmental Funds</b>
	<b>General</b>	<b>Special Park</b>	<b>Capital Improvements</b>	<b>Community Center Construction</b>	<b>Nonmajor Governmental Funds</b>	
<b>REVENUES</b>						
Municipal taxes	\$ 18,737,744	4,385,333	3,123,977	-	4,586,425	30,833,479
Licenses, permits, fines, and fees	4,131,966	-	-	-	-	4,131,966
Charges for services	-	917,610	-	-	-	917,610
Intergovernmental	421,930	651,273	3,452,139	-	28,235	4,553,577
Investment income	357,590	-	-	491	26,098	384,179
Other	191,678	21,733	679,013	-	421	892,845
Total Revenues	<u>23,840,908</u>	<u>5,975,949</u>	<u>7,255,129</u>	<u>491</u>	<u>4,641,179</u>	<u>41,713,656</u>
<b>EXPENDITURES</b>						
Current:						
Legislative	196,712	-	-	-	-	196,712
General administration	1,775,655	-	-	-	3,079	1,778,734
Finance and accounting	1,350,643	-	-	-	-	1,350,643
Community development	1,714,189	-	-	-	350,195	2,064,384
Public works	5,040,061	-	-	-	675,055	5,715,116
Police services	10,340,889	-	-	-	110,303	10,451,192
Judicial	426,655	-	-	-	-	426,655
Parks and recreation	541,120	3,165,897	-	-	-	3,707,017
Human services	324,502	-	-	-	-	324,502
Capital outlay	406,246	777,394	9,834,350	13,060,422	149,388	24,227,800
Debt service:						
Principal	-	-	-	-	3,035,000	3,035,000
Interest	-	-	-	-	1,037,183	1,037,183
Total Expenditures	<u>22,116,672</u>	<u>3,943,291</u>	<u>9,834,350</u>	<u>13,060,422</u>	<u>5,360,203</u>	<u>54,314,938</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,724,236</u>	<u>2,032,658</u>	<u>(2,579,221)</u>	<u>(13,059,931)</u>	<u>(719,024)</u>	<u>(12,601,282)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	53,925	-	985,000	1,038,925
Transfers out	-	(985,000)	-	-	(53,925)	(1,038,925)
Sale of capital assets	65,050	-	-	-	-	65,050
Total Other Financing Sources (Uses)	<u>65,050</u>	<u>(985,000)</u>	<u>53,925</u>	<u>-</u>	<u>931,075</u>	<u>65,050</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,789,286	1,047,658	(2,525,296)	(13,059,931)	212,051	(12,536,232)
FUND BALANCES, JANUARY 1	<u>27,764,722</u>	<u>3,660,773</u>	<u>11,342,336</u>	<u>18,172,713</u>	<u>6,047,206</u>	<u>66,987,750</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 29,554,008</u>	<u>4,708,431</u>	<u>8,817,040</u>	<u>5,112,782</u>	<u>6,259,257</u>	<u>54,451,518</u>

See notes to financial statements

**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, 2016**

Net Change In Fund Balances - Governmental Funds \$ (12,536,232)

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 (\$22,823,764) exceeded depreciation (\$4,827,856) in the current period. 17,995,908

The net effect of various transactions involving capital assets:

Cost of disposals, net of accumulated depreciation	(2,223,463)
Donated assets	29,939

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	(99,209)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also, the governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items and includes:

Repayments of long-term debt	3,035,000	
Amortization of debt discount	(20,300)	
Amortization of debt premium	5,410	
Net Adjustment	3,020,110	3,020,110

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:

Decrease in accrued compensated absences	93,732
--	--------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Decrease in accrued interest	47,641
Net OPEB obligation	3,358
Pension expense	(748,010)

Change In Net Position Of Governmental Activities \$ 5,583,774

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**DECEMBER 31, 2016**

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	<b>Agency Fund</b>	<b>Other Post- employment Benefit Trust Fund</b>
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash	\$ 596,778	-
Investments - pooled balanced funds	-	3,350,608
Total Assets	<u>596,778</u>	<u>3,350,608</u>
 <b>LIABILITIES</b>		
Accounts payable	3,457	-
Deposits held for others	593,321	-
Total Liabilities	<u>596,778</u>	<u>-</u>
 <b>NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS</b>	 <u><u>\$ -</u></u>	 <u><u>3,350,608</u></u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY**  
**NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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	<b>Other Post- employment Benefit Trust Fund</b>
<b>ADDITIONS</b>	
Investment income	<u>\$ 226,452</u>
<b>DEDUCTIONS</b>	
Benefit payments,	41,962
Administrative expenses	<u>2,670</u>
Total Deductions	<u>44,632</u>
<b>CHANGE IN NET POSITION</b>	181,820
<b>NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS, JANUARY 1</b>	<u>3,168,788</u>
<b>NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS, DECEMBER 31</b>	<u><u>\$ 3,350,608</u></u>

# CITY OF MARYLAND HEIGHTS, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

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### 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**

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**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**

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**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**

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**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 acquisition value at the date of donation. In the case of the initial capitalization of general infrastructure assets, the City chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost of the initial reporting of those assets through back trending. A percentage of the historical 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**

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**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**

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**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 \$60,363, \$382,867, \$679,678, \$4,238,893, and \$29,400 respectively, at December 31, 2016.

**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**

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**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 asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments 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, 2016, 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, 2016, 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>	
<b>Governmental Funds</b>						
Federal Agency notes:						
Federal Home Loan Bank	\$ 8,142,694	-	2,692,494	5,450,200	-	AA
Federal Farm Credit Bank	1,985,570	-	1,001,820	983,750	-	AA
Federal Home Loan Mortgage Corporation	9,955,355	-	5,015,905	4,939,450	-	AA
Federal National Mortgage Association	11,791,419	-	3,500,120	8,291,299	-	AA
Total Federal Agency Notes	31,875,038	-	12,210,339	19,664,699	-	
Repurchase agreement	7,613,000	-	7,613,000	-	-	AA
Certificate of deposit	11,934,000	-	5,620,000	6,314,000	-	N/A
Money market	156,122	156,122	-	-	-	AA
MOSIP	1,092,969	1,092,969	-	-	-	AAA
Total Primary Government	52,671,129	1,249,091	25,443,339	25,978,699	-	
<b>Fiduciary Funds</b>						
Mutual Funds:						
Domestic equity	1,876,340	1,876,340	-	-	-	N/A
International equity	670,122	670,122	-	-	-	N/A
Domestic fixed income	670,122	670,122	-	-	-	N/A
International fixed income	134,024	134,024	-	-	-	N/A
Total Fiduciary Funds	3,350,608	3,350,608	-	-	-	
Grand Total Investments	\$56,021,737	4,599,699	25,443,339	25,978,699	-	

**Investment Policies**

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

**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.

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

**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.

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represent 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt). At December 31, 2016, the City had the following investment concentrations.

<u>Investments</u>	<u>Fair Value</u>	<u>Percent Of Total Investments</u>
Federal Home Loan Bank	\$ 8,142,694	14.5%
Federal Home Loan Mortgage Corporation	9,955,355	17.8
Federal National Mortgage Association	11,791,419	21.0

**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 & Pooors.

**3. Fair Value Measurements**

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable in-

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**3. Fair Value Measurements (Continued)**

put, and Level 3 inputs are significant unobservable inputs. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities. The City has the following recurring fair value measurements:

	<b>December 31, 2016</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments by fair value level:				
Money market funds	\$ 156,122	156,122	-	-
MOSIP	1,092,969	-	1,092,969	-
Government securities:				
Federal Farm Credit Bank	1,985,570	-	1,985,570	-
Federal Home Loan Bank	8,142,694	-	8,142,694	-
Federal Home Loan Mortgage Corporation	9,955,355	-	9,955,355	-
Federal National Mortgage Association	11,791,419	-	11,791,419	-
Mutual Funds:				
Domestic equity	1,876,340	1,876,340	-	-
International equity	670,122	670,122	-	-
Domestic fixed income	670,122	-	670,122	-
International fixed income	134,024	-	134,024	-
	<u>36,474,737</u>	<u>2,702,584</u>	<u>33,772,153</u>	<u>-</u>
Investments not subject to fair value level classification:				
Certificates of deposit	11,934,000			
Repurchase agreement	7,613,000			
	<u>19,547,000</u>			
Total Primary Government Investments	<u>\$ 56,021,737</u>			

**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, 2016**

	<b>Balance December 31 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance December 31 2016</b>
Capital assets not being depreciated:				
Land	\$ 7,731,270	-	-	7,731,270
Right-of-way	20,809,341	1,177,769	-	21,987,110
Nondepreciable components of streets	11,795,967	646,987	-	12,442,954
Construction in progress	16,114,445	18,279,662	2,819,686	31,574,421
Total Capital Assets Not Being Depreciated	<u>56,451,023</u>	<u>20,104,418</u>	<u>2,819,686</u>	<u>73,735,755</u>
Capital assets being depreciated:				
Buildings	25,185,507	-	4,251,886	20,933,621
Other improvements	13,928,927	403,595	478,199	13,854,323
Machinery and equipment	4,069,153	177,709	192,656	4,054,206
Software	152,006	-	-	152,006
Automobiles and trucks	4,039,610	514,713	366,937	4,187,386
Infrastructure	99,523,036	4,472,954	-	103,995,990
Total Capital Assets Being Depreciated	<u>146,898,239</u>	<u>5,568,971</u>	<u>5,289,678</u>	<u>147,177,532</u>
Less - Accumulated depreciation for:				
Buildings	6,532,275	633,343	2,202,656	4,962,962
Other improvements	9,012,112	694,616	420,241	9,286,487
Machinery and equipment	2,984,323	324,498	158,365	3,150,456
Software	76,864	15,201	-	92,065
Automobiles and trucks	2,170,980	358,543	284,953	2,244,570
Infrastructure	45,645,620	2,801,655	-	48,447,275
Total Accumulated Depre- ciation	<u>66,422,174</u>	<u>4,827,856</u>	<u>3,066,215</u>	<u>68,183,815</u>
Total Capital Assets Being Depreciated, Net	<u>80,476,065</u>	<u>741,115</u>	<u>2,223,463</u>	<u>78,993,717</u>
Total Capital Assets, Net	<u>\$ 136,927,088</u>	<u>20,845,533</u>	<u>5,043,149</u>	<u>152,729,472</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)**

	<b>For The Year Ended December 31 2016</b>
General administration	\$ 627,033
Finance and accounting	38,237
Community development	5,663
Public works	3,189,150
Police services	179,658
Parks and recreation	788,115
	\$ 4,827,856
Total	

**NOTE D - INTERFUND BALANCES**

During the normal course of business, the City has numerous transactions between funds. The outstanding balances at December 31, 2016 is to eliminate a negative cash balance within a fund. The following is a reconciliation of internal receivables and payables:

	<b>December 31, 2016</b>	
	<b>Receivable Fund</b>	<b>Payable Fund</b>
General Fund	\$ 38,385	-
Nonmajor funds	-	38,385
	\$ 38,385	38,385
Total		

**NOTE E - INTERFUND TRANSACTIONS**

Individual interfund transactions are as follows:

	<b>Transfers in</b>		
	<b>Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
Transfers out:			
Special Park Fund	\$ -	985,000	985,000
Nonmajor governmental funds	53,925	-	53,925
	\$ 53,925	985,000	1,038,925
Total			

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE E - INTERFUND TRANSACTIONS (Continued)**

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:

	<b>For The Year Ended December 31, 2016</b>			<b>Balance December 31 2016</b>	<b>Amounts Due Within One Year</b>
	<b>Balance December 31 2015</b>	<b>Additions</b>	<b>Reductions</b>		
	Certificates of Participation Series 2015	\$ 15,000,000	-		
Tax Increment Bonds, Series 2007A	5,440,000	-	2,435,000	3,005,000	2,500,000
Tax Increment Bonds, Series 2007B	5,155,000	-	-	5,155,000	-
Certificates of Participation Premium	104,148	-	5,410	98,738	-
Bond discount	(50,750)	-	(20,300)	(30,450)	-
Compensated absences payable	1,471,020	422,798	516,530	1,377,288	94,144
<b>Total</b>	<b>\$ 27,119,418</b>	<b>422,798</b>	<b>3,536,640</b>	<b>24,005,576</b>	<b>3,204,144</b>

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%.

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT (Continued)**

Annual debt service requirements are as follows:

<b>For The Years Ending December 31</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	665,000	327,232	992,232
2022 - 2026	3,530,000	1,352,619	4,882,619
2027 - 2031	4,015,000	871,155	4,886,155
2032 - 2035	3,670,000	233,923	3,903,923
Total	<u>\$ 14,400,000</u>	<u>4,169,957</u>	<u>18,569,957</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.

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.

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE G - PENSION PLAN**

***Plan Description***

The City participates in Missouri Local Government Employees Retirement System (LAGERS), LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under 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](http://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.

	<b><u>2016</u></b> <b><u>Valuation</u></b>
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.

***Employees Covered By Benefit Terms***

At June 30, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	40
Inactive employees entitled to but not yet receiving benefits	25
Active employees	<u>191</u>
Total	<u><u>256</u></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-

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE G - PENSION PLAN (Continued)**

time employees of the City do not contribute to the pension plan. The City contribution rates are 11.6% (General) and 13.4% (Police) of annual covered payroll.

***Net Pension Liability (Asset)***

The City's net pension liability (asset) was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 29, 2016.

***Actuarial Assumptions***

The total pension liability in the February 29, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.25% wage inflation; 2.50% price inflation
Salary increase	3.25% to 6.8% including wage inflation
Investment rate of return	7.25%, net of investment expenses

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

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

The new assumptions used in the February 29, 2016 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate Of Return</u>
Equity	43.00 %	5.29 %
Fixed income	26.00	2.23
Real assets	21.00	3.31
Strategic assets	10.00	5.73

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE G - PENSION PLAN (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined 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)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
<b>Balances at June 30, 2015</b>	\$ 30,864,754	31,605,796	(741,042)
<b>Changes for the year</b>			
Service cost	1,456,520	-	1,456,520
Interest	2,273,295	-	2,273,295
Difference between expected and actual experience	19,656	-	19,656
Contributions - employer	-	1,698,491	(1,698,491)
Net investment income	-	(115,726)	115,726
Assumption changes	2,020,765	-	2,020,765
Benefit payments, including refunds	(456,978)	(456,978)	-
Administrative expense	-	(21,209)	21,209
Other changes	-	(23,276)	23,276
Net Changes	<u>5,313,258</u>	<u>1,081,302</u>	<u>4,231,956</u>
<b>Balances at June 30, 2016</b>	<u>\$ 36,178,012</u>	<u>32,687,098</u>	<u>3,490,914</u>

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

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25%, as well as what the City'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.

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
Net pension liability (asset)	\$ 9,342,119	3,490,914	(1,350,872)

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE G - PENSION PLAN (Continued)**

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

For the year ended December 31, 2016, the City recognized pension expense of \$2,352,253. Reported deferred outflows and inflows of resources are related to the following sources:

	<b>Outflows</b>	<b>Inflows</b>	<b>Net Outflows</b>
Difference in experience	\$ 42,706	(1,029,055)	(986,349)
Assumption changes	1,756,455	-	1,756,455
Excess (deficit) investment returns	2,907,914	-	2,907,914
Contributions subsequent to the measurement date*	861,863	-	861,863
Total	\$ 5,568,938	(1,029,055)	4,539,883

\*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 liability (asset) for the next fiscal year.

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

**For The  
Years Ending  
December 31**

2017		\$ 912,006
2018		912,006
2019		912,007
2020		595,975
2021		106,020
Thereafter		240,006
Total		\$ 3,678,020

**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.

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

**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)	(\$ 203,930)
Interest on net OPEB obligations	(11,982)
Adjustment to ARC	<u>220,361</u>
Annual OPEB Cost (Credit)	4,449
Contributions made	<u>-</u>
Increase in net obligations	4,449
Net OPEB asset, beginning of year	<u>(208,379)</u>
Net OPEB Asset, End Of Year	<u>(\$ 203,930)</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>
1/1/2016	\$3,168,788	\$2,864,347	\$ 304,441	110.6%	\$13,025,650	2.4%
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

**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>		
2016	\$ -	(\$194,806)	- %	(\$203,930)	\$203,930
2014	-	(8,144)	-	(16,101)	200,572
2013	-	(4,670)	-	(6,658)	192,428

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 con-

# CITY OF MARYLAND HEIGHTS, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

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

#### **3. Funding Progress and Employer Contributions (Continued)**

tinual 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, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5.75% investment rate of return, 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 to an ultimate rate of 4.5% after 2029. 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, 2016 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 2016.

### **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.

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**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 \$8,653,338, payable through 2018. For the current year \$3,095,050 of principal and interest was paid on the bonds and total incremental tax revenues were \$2,804,606.

**NOTE M - TAX ABATEMENT AGREEMENTS**

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

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

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE M - TAX ABATEMENT AGREEMENTS (Continued)**

The City has established separate special revenue funds to account for each TIF. In 2016, the incremental City approximate sales taxes that the City distributed to the tax increment financing districts were:

<u>TIF Districts/Fund</u>	<u>Amount</u>
South Heights	\$ 127,000
Dorsett Road	-
Westport Plaza	-

**NOTE N - CAPITAL IMPROVEMENT FUND'S FUND BALANCE**

Due to similarity of purpose, the Storm Water Fund activity began to be reported with the Capital Improvement Fund as of January 1, 2016. After this combination, the Capital Improvement Fund's fund balance was as follows:

Capital Improvement Fund	\$ 8,497,747
Storm Water Fund	<u>2,844,589</u>
Total	<u>\$ 11,342,336</u>

**NOTE O - SUBSEQUENT EVENTS**

On June 15, 2017 the City approved various contracts that provide for the use of a new indoor/outdoor ice arena that may be constructed in Maryland Heights. The City will contribute up to \$5 million for the construction and related infrastructure and, beginning in 2018, an annual payment of \$100,000 (with an escalator of 1% each year) for 30 years. The City will receive recreational use of the facility, promotional activities, and economic development benefits. The contracts are contingent on approvals needed from state, county, federal governments, and private parties.

**NOTE P - RESTRICTED NET POSITION**

The government-wide statement of net position reports \$5,567,307 of restricted net position, of which \$4,097,562 is restricted by enabling legislation.

**NOTE Q - RESTATEMENT OF NET POSITION**

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

	<b><u>Governmental</u></b>
	<b><u>Activities</u></b>
Net position, December 31, 2015, as previously reported	\$ 179,617,271
Restatement for compensated absences	<u>483,547</u>
Net Position, December 31, 2015, As Restated	<u>\$ 180,100,818</u>

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**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
<b>Municipal Taxes</b>				
Gaming	\$ 7,000,000	7,000,000	7,289,280	289,280
Utilities gross receipts	5,680,000	5,480,000	5,317,037	(162,963)
Sales tax	4,050,000	4,050,000	4,024,272	(25,728)
Cigarette	70,000	70,000	75,638	5,638
Gasoline and motor vehicle tax	1,050,000	1,050,000	1,090,227	40,227
County road refund	1,000,000	1,000,000	941,290	(58,710)
Total Municipal Taxes	<u>18,850,000</u>	<u>18,650,000</u>	<u>18,737,744</u>	<u>87,744</u>
<b>Licenses, Permits, Fines, and Fees</b>				
Court fines and fees	1,700,000	1,600,000	1,407,828	(192,172)
Merchant licenses	630,000	630,000	632,037	2,037
Charges for services	840,000	1,110,000	1,694,858	584,858
Cable TV franchise	380,000	380,000	397,243	17,243
Total Licenses, Permits, Fines, And Fees	<u>3,550,000</u>	<u>3,720,000</u>	<u>4,131,966</u>	<u>411,966</u>
<b>Intergovernmental</b>	<u>320,000</u>	<u>320,000</u>	<u>421,930</u>	<u>101,930</u>
<b>Investment Income</b>	<u>250,000</u>	<u>275,000</u>	<u>418,673</u>	<u>143,673</u>
<b>Other</b>				
Miscellaneous	130,000	205,000	160,920	(44,080)
Insurance reimbursement	-	26,000	32,921	6,921
Total Other	<u>130,000</u>	<u>231,000</u>	<u>193,841</u>	<u>(37,159)</u>
Total Revenues	<u>23,100,000</u>	<u>23,196,000</u>	<u>23,904,154</u>	<u>708,154</u>
<b>EXPENDITURES</b>				
<b>Legislative</b>				
Mayor's office	22,361	20,861	20,288	(573)
City council	129,937	176,437	176,424	(13)
Total Legislative	<u>152,298</u>	<u>197,298</u>	<u>196,712</u>	<u>(586)</u>
<b>General Administration</b>				
City clerk	357,586	357,586	345,310	(12,276)
Legal services	208,200	293,200	291,701	(1,499)
City administrator's office	402,427	307,427	303,239	(4,188)
Human resources	201,045	201,045	191,908	(9,137)

(Continued)

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>EXPENDITURES (Continued)</b>				
<b>General Administration (Continued)</b>				
Communications	197,770	207,770	203,402	(4,368)
Central services	96,675	91,675	81,405	(10,270)
Risk management	375,000	375,000	370,002	(4,998)
City administrator transition	-	-	-	-
Total General Administration	<u>1,838,703</u>	<u>1,833,703</u>	<u>1,786,967</u>	<u>(46,736)</u>
<b>Finance and Accounting</b>				
Finance	521,074	521,074	511,348	(9,726)
Geographic information services	178,028	178,028	174,256	(3,772)
Information technology	887,619	887,619	736,022	(151,597)
Total Finance And Accounting	<u>1,586,721</u>	<u>1,586,721</u>	<u>1,421,626</u>	<u>(165,095)</u>
<b>Community Development</b>				
Community development administration	338,132	338,132	333,032	(5,100)
Inspections	1,045,006	1,045,006	915,552	(129,454)
Economic development	2,025	112,025	99,261	(12,764)
Planning and zoning	412,984	382,984	366,344	(16,640)
Total Community Development	<u>1,798,147</u>	<u>1,878,147</u>	<u>1,714,189</u>	<u>(163,958)</u>
<b>Public Works</b>				
Administration and engineering	520,727	520,727	496,259	(24,468)
Roads and bridges	2,045,191	1,975,191	1,703,171	(272,020)
Trash hauling	1,880,952	1,880,952	1,880,072	(880)
Vehicle and equipment maintenance	555,697	555,697	515,780	(39,917)
Storm water	573,813	573,813	560,907	(12,906)
Total Public Works	<u>5,576,380</u>	<u>5,506,380</u>	<u>5,156,189</u>	<u>(350,191)</u>
<b>Police Services</b>				
Police administration	338,980	343,575	335,544	(8,031)
Patrol	5,440,555	5,424,555	5,340,811	(83,744)
Investigations	1,531,649	1,531,649	1,521,028	(10,621)
Communications	959,721	1,009,721	966,682	(43,039)
Community services	950,006	975,006	955,489	(19,517)
Community response unit	1,274,725	1,274,725	1,236,668	(38,057)
Police records	188,528	188,528	182,013	(6,515)
Total Police Services	<u>10,684,164</u>	<u>10,747,759</u>	<u>10,538,235</u>	<u>(209,524)</u>

**(Continued)**

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>EXPENDITURES (Continued)</b>				
<b>Judicial</b>				
Municipal court	445,909	445,909	426,655	(19,254)
<b>Parks and Recreation</b>				
Government center maintenance	571,454	571,454	538,319	(33,135)
<b>Human Services</b>				
Total Expenditures	389,147 23,042,923	389,147 23,156,518	348,092 22,126,984	(41,055) (1,029,534)
<b>REVENUES OVER EXPENDITURES</b>	57,077	39,482	1,777,170	1,737,688
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	-	-	65,050	65,050
<b>NET CHANGE IN FUND BALANCE</b>	\$ 57,077	39,482	1,842,220	1,802,738
FUND BALANCE, JANUARY 1			27,859,804	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 29,702,024</b>	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - SPECIAL PARK FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
<b>Municipal Taxes</b>				
Sales	\$ 4,100,000	4,340,000	4,385,332	45,332
<b>Charges for services</b>	1,550,400	845,400	917,832	72,432
<b>Intergovernmental</b>	200,000	886,000	651,052	(234,948)
<b>Other</b>	-	-	21,733	21,733
Total Revenues	5,850,400	6,071,400	5,975,949	(95,451)
<b>EXPENDITURES</b>				
<b>Parks and Recreation</b>				
Park administration	307,940	352,940	346,955	(5,985)
Recreation	1,955,062	1,525,062	1,042,430	(482,632)
Community Centre	729,295	629,295	408,107	(221,188)
Aquaport	471,694	471,694	475,561	3,867
Park maintenance	967,021	967,021	887,595	(79,426)
Park capital project	340,000	1,145,000	1,065,243	(79,757)
Total Expenditures	4,771,012	5,091,012	4,225,891	(865,121)
<b>REVENUES OVER EXPENDITURES</b>	1,079,388	980,388	1,750,058	769,670
<b>OTHER FINANCING USES</b>				
Transfers out	(985,000)	(985,000)	(985,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ 94,388	(4,612)	765,058	769,670
<b>FUND BALANCE, JANUARY 1</b>			3,560,506	
<b>FUND BALANCE, DECEMBER 31</b>			\$ 4,325,564	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**BUDGETARY BASIS OF ACCOUNTING**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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:

	<b>Governmental Fund Types</b>				
	<b>General</b>	<b>Special Park</b>	<b>Capital Improvements</b>	<b>Community Center Construction</b>	<b>Nonmajor</b>
Fund balances:					
GAAP basis	\$ 29,554,008	4,708,431	8,817,040	5,112,782	6,259,257
Encumbrances outstanding at:					
December 31, 2016	(60,363)	(382,867)	(679,678)	(4,238,893)	(29,400)
Investments, FMV adjustment	208,379	-	-	-	-
Budget Basis	<u>\$ 29,702,024</u>	<u>4,325,564</u>	<u>8,137,362</u>	<u>873,889</u>	<u>6,229,857</u>
Net change in fund balances:					
GAAP basis	\$ 1,789,286	1,047,658	(2,525,296)	(13,059,931)	212,051
Encumbrances outstanding at:					
December 31, 2015	52,214	100,267	5,342,083	16,006,779	78,700
December 31, 2016	(60,363)	(382,867)	(679,678)	(4,238,893)	(29,400)
Investment, FMV adjustment	61,083	-	-	-	-
Budget Basis	<u>\$ 1,842,220</u>	<u>765,058</u>	<u>2,137,109</u>	<u>(1,292,045)</u>	<u>261,351</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**BUDGETARY DATA**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**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 YEARS ENDED DECEMBER 31**

	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>		
Service cost	\$ 1,456,520	1,483,439
Interest on total pension liability	2,273,295	2,138,745
Difference between expected and actual experience	19,656	(1,325,737)
Assumption changes	2,020,765	-
Benefit payments, including refunds	<u>(456,978)</u>	<u>(398,782)</u>
Net Change In Total Pension Liability	5,313,258	1,897,665
Total Pension Liability Beginning	<u>30,864,754</u>	<u>28,967,089</u>
Total Pension Liability Ending (a)	<u><u>\$ 36,178,012</u></u>	<u><u>30,864,754</u></u>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 1,698,491	1,766,469
Net investment income	(115,726)	580,792
Benefit payments, including refunds of employee contributions	(456,978)	(398,782)
Administrative expense	(21,209)	(22,744)
Other	<u>(23,276)</u>	<u>1,050,917</u>
Net Change In Plan Fiduciary Net Position	1,081,302	2,976,652
Plan Fiduciary Net Position Beginning	<u>31,605,796</u>	<u>28,629,144</u>
Plan Fiduciary Net Position Ending (b)	<u><u>\$ 32,687,098</u></u>	<u><u>31,605,796</u></u>
<b>Net Pension Liability (Asset) Ending (a)-(b)</b>	<u><u>\$ 3,490,914</u></u>	<u><u>(741,042)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.35 %	102.40
Covered Employee Payroll (for February 28/29 Valuation)	\$ 12,799,784	12,721,041
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	27.27 %	(5.83)

Notes:

Information is not available for fiscal years prior to 2015.

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

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

	For The Years Ended June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined pension contribution	\$ 1,604,465	1,823,010	1,784,951	1,758,417	1,803,059	1,733,476	1,791,337	1,629,847	1,184,852	1,102,640
Contributions in relation to the actuarially determined contribution	<u>1,604,466</u>	<u>1,823,010</u>	<u>1,784,951</u>	<u>1,758,417</u>	<u>1,803,059</u>	<u>1,733,477</u>	<u>1,767,039</u>	<u>1,629,848</u>	<u>1,184,853</u>	<u>1,102,640</u>
Contribution Deficiency	<u>\$ (1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>24,298</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>
Covered Employee Payroll	\$ 12,891,291	13,262,272	12,456,567	12,122,764	12,191,005	11,912,688	12,149,139	12,030,308	11,900,162	11,081,144
Contributions as a Percentage of Covered Employee Payroll	12.45 %	13.75	14.33	14.51	14.79	14.55	14.54	13.55	9.96	9.95

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	Level percent of payroll, closed
Remaining amortization period	Multiple bases from 14 to 22 years
Asset valuation method	5 years smoothed market; 20% corridor
Inflation	3.25% wage inflation; 2.50% price inflation
Salary increases	3.25% to 6.55%; including wage inflation
Investment rate of return	7.25%, net of investment expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The healthy retiree mortality tables for post-retirement mortality were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

There were no benefit changes during the year.

**OTHER SUPPLEMENTAL INFORMATION SECTION**

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

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**SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

**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, 2016**

	<u>Street- light</u>	<u>Tourism Tax</u>	<u>Police Forfeitures</u>	<u>Sewer Lateral</u>	<u>Police Training</u>	<u>Beautifi- cation</u>
<b>ASSETS</b>						
Cash and investments	\$ 1,919,058	-	265,843	334,171	37,492	29,174
Cash and investments - restricted	-	-	-	-	-	-
Accounts receivable:						
Municipal taxes	85,938	70,321	-	83,471	-	-
Accrued interest	-	-	-	-	-	-
Total Assets	<u>\$ 2,004,996</u>	<u>70,321</u>	<u>265,843</u>	<u>417,642</u>	<u>37,492</u>	<u>29,174</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 91,623	-	195	34,976	-	-
Due to other funds	-	38,385	-	-	-	-
Unearned revenue	1,247	-	-	-	-	-
Total Liabilities	<u>92,870</u>	<u>38,385</u>	<u>195</u>	<u>34,976</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	<u>46,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Restricted for:						
Debt service	-	-	-	-	-	-
Police forfeitures	-	-	265,648	-	-	-
Sewer lateral	-	-	-	382,666	-	-
Police training	-	-	-	-	37,492	-
Beautification	-	-	-	-	-	29,174
Tax increment funds	-	-	-	-	-	-
Tourism tax	-	31,936	-	-	-	-
Committed for:						
Streetlighting	1,866,083	-	-	-	-	-
Total Fund Balances	<u>1,866,083</u>	<u>31,936</u>	<u>265,648</u>	<u>382,666</u>	<u>37,492</u>	<u>29,174</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 2,004,996</u>	<u>70,321</u>	<u>265,843</u>	<u>417,642</u>	<u>37,492</u>	<u>29,174</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - NONMAJOR FUNDS (Continued)**  
**DECEMBER 31, 2016**

	<u>South Heights TIF</u>	<u>Dorsett TIF</u>	<u>Westport Plaza TIF</u>	<u>Special Revenue Total</u>	<u>Community Center Debt Service</u>	<u>Total</u>
<b>ASSETS</b>						
Cash and investments	287,615	303,726	-	3,177,079	9,586	3,186,665
Cash and investments - restricted	1,461,298	-	-	1,461,298	1	1,461,299
Accounts receivable:						
Municipal taxes	1,137,811	88,137	379,152	1,844,830	-	1,844,830
Accrued interest	1,399	-	-	1,399	-	1,399
 Total Assets	<u>2,888,123</u>	<u>391,863</u>	<u>379,152</u>	<u>6,484,606</u>	<u>9,587</u>	<u>6,494,193</u>
 <b>LIABILITIES</b>						
Accounts payable	-	-	-	126,794	1,140	127,934
Due to other funds	-	-	-	38,385	-	38,385
Unearned revenue	-	-	-	1,247	-	1,247
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,426</u>	<u>1,140</u>	<u>167,566</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	19,155	2,172	-	67,370	-	67,370
 <b>FUND BALANCES</b>						
Restricted for:						
Debt service	1,461,298	-	-	1,461,298	8,447	1,469,745
Police forfeitures	-	-	-	265,648	-	265,648
Sewer lateral	-	-	-	382,666	-	382,666
Police training	-	-	-	37,492	-	37,492
Beautification	-	-	-	29,174	-	29,174
Tax increment funds	1,407,670	389,691	379,152	2,176,513	-	2,176,513
Tourism Tax	-	-	-	31,936	-	31,936
Committed for:						
Streetlighting	-	-	-	1,866,083	-	1,866,083
Total Fund Balances	<u>2,868,968</u>	<u>389,691</u>	<u>379,152</u>	<u>6,250,810</u>	<u>8,447</u>	<u>6,259,257</u>
 Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>2,888,123</u>	<u>391,863</u>	<u>379,152</u>	<u>6,484,606</u>	<u>9,587</u>	<u>6,494,193</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, 2016**

	<b>Street- light</b>	<b>Tourism Tax</b>	<b>Police Forfeitures</b>	<b>Sewer Lateral</b>	<b>Police Training</b>	<b>Beautifi- cation</b>
<b>REVENUES</b>						
Municipal taxes	\$ 531,910	316,937	-	364,313	-	10,636
Intergovernmental	-	-	18,739	-	9,496	-
Investment income	-	-	3,621	-	-	-
Other	-	-	421	-	-	-
Total Revenues	<u>531,910</u>	<u>316,937</u>	<u>22,781</u>	<u>364,313</u>	<u>9,496</u>	<u>10,636</u>
<b>EXPENDITURES</b>						
Current:						
General administration	-	-	-	-	-	-
Community development	-	281,023	-	-	-	617
Public works	446,795	-	-	228,260	-	-
Police services	-	-	93,818	-	16,485	-
Capital outlay	62,491	-	86,897	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>509,286</u>	<u>281,023</u>	<u>180,715</u>	<u>228,260</u>	<u>16,485</u>	<u>617</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>22,624</u>	<u>35,914</u>	<u>(157,934)</u>	<u>136,053</u>	<u>(6,989)</u>	<u>10,019</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(53,925)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,925)</u>
<b>NET CHANGE IN FUND BALANCES</b>	22,624	35,914	(157,934)	136,053	(6,989)	(43,906)
FUND BALANCES, JANUARY 1	<u>1,843,459</u>	<u>(3,978)</u>	<u>423,582</u>	<u>246,613</u>	<u>44,481</u>	<u>73,080</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 1,866,083</u>	<u>31,936</u>	<u>265,648</u>	<u>382,666</u>	<u>37,492</u>	<u>29,174</u>

**(Continued)**

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>South Heights TIF</b>	<b>Dorsett TIF</b>	<b>Westport Plaza TIF</b>	<b>Special Revenue Total</b>	<b>Community Center Debt Service</b>	<b>Total</b>
<b>REVENUES</b>						
Municipal taxes	2,804,606	178,871	379,152	4,586,425	-	4,586,425
Intergovernmental	-	-	-	28,235	-	28,235
Investment income	22,472	-	-	26,093	5	26,098
Other	-	-	-	421	-	421
Total Revenues	<u>2,827,078</u>	<u>178,871</u>	<u>379,152</u>	<u>4,641,174</u>	<u>5</u>	<u>4,641,179</u>
<b>EXPENDITURES</b>						
Current:						
General administration	-	-	-	-	3,079	3,079
Community development	50,130	18,425	-	350,195	-	350,195
Public works	-	-	-	675,055	-	675,055
Police services	-	-	-	110,303	-	110,303
Capital outlay	-	-	-	149,388	-	149,388
Debt service:						
Principal	2,435,000	-	-	2,435,000	600,000	3,035,000
Interest	660,050	-	-	660,050	377,133	1,037,183
Total Expenditures	<u>3,145,180</u>	<u>18,425</u>	<u>-</u>	<u>4,379,991</u>	<u>980,212</u>	<u>5,360,203</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(318,102)</u>	<u>160,446</u>	<u>379,152</u>	<u>261,183</u>	<u>(980,207)</u>	<u>(719,024)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	985,000	985,000
Transfers out	-	-	-	(53,925)	-	(53,925)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,925)</u>	<u>985,000</u>	<u>931,075</u>
<b>NET CHANGE IN FUND BALANCES</b>	(318,102)	160,446	379,152	207,258	4,793	212,051
FUND BALANCES, JANUARY 1	<u>3,187,070</u>	<u>229,245</u>	<u>-</u>	<u>6,043,552</u>	<u>3,654</u>	<u>6,047,206</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u><u>2,868,968</u></u>	<u><u>389,691</u></u>	<u><u>379,152</u></u>	<u><u>6,250,810</u></u>	<u><u>8,447</u></u>	<u><u>6,259,257</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, 2016**

	Streetlight			Tourism Tax			Police Forfeitures		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
<b>REVENUES</b>									
Municipal taxes	\$ 568,000	531,910	(36,090)	285,000	316,937	31,937	-	-	-
Intergovernmental	-	-	-	-	-	-	35,000	18,739	(16,261)
Investment income	-	-	-	-	-	-	-	3,621	3,621
Other	-	5,709	5,709	-	-	-	-	421	421
Total Revenues	<u>568,000</u>	<u>537,619</u>	<u>(30,381)</u>	<u>285,000</u>	<u>316,937</u>	<u>31,937</u>	<u>35,000</u>	<u>22,781</u>	<u>(12,219)</u>
<b>EXPENDITURES</b>									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	281,022	281,023	1	-	-	-
Public works:									
Streetlight	494,200	446,795	(47,405)	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	87,000	25,800	(61,200)	-	-	-	-	-	-
Police services	-	-	-	-	-	-	107,320	93,818	(13,502)
Capital outlay	-	-	-	-	-	-	82,439	86,897	4,458
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Trustee Fees	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>581,200</u>	<u>472,595</u>	<u>(108,605)</u>	<u>281,022</u>	<u>281,023</u>	<u>1</u>	<u>189,759</u>	<u>180,715</u>	<u>(9,044)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(13,200)	65,024	78,224	3,978	35,914	31,936	(154,759)	(157,934)	(3,175)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in (out)	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (13,200)</u>	<u>65,024</u>	<u>78,224</u>	<u>3,978</u>	<u>35,914</u>	<u>31,936</u>	<u>(154,759)</u>	<u>(157,934)</u>	<u>(3,175)</u>
FUND BALANCES, JANUARY 1		<u>1,775,259</u>			<u>(3,978)</u>			<u>423,582</u>	
<b>FUND BALANCES, DECEMBER 31</b>		<u>\$ 1,840,283</u>			<u>31,936</u>			<u>265,648</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, 2016**

	Sewer Lateral			Police Training			Beautification		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
<b>REVENUES</b>									
Municipal taxes	355,000	364,313	9,313	-	-	-	11,000	10,636	(364)
Intergovernmental	-	-	-	13,000	9,496	(3,504)	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	355,000	364,313	9,313	13,000	9,496	(3,504)	11,000	10,636	(364)
<b>EXPENDITURES</b>									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	6,650	617	(6,033)
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Sewer lateral	250,000	228,260	(21,740)	-	-	-	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Police services	-	-	-	21,450	16,485	(4,965)	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Trustee Fees	-	-	-	-	-	-	-	-	-
Total Expenditures	250,000	228,260	(21,740)	21,450	16,485	(4,965)	6,650	617	(6,033)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	105,000	136,053	31,053	(8,450)	(6,989)	1,461	4,350	10,019	5,669
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in (out)	-	-	-	-	-	-	(63,140)	(53,925)	9,215
<b>NET CHANGE IN FUND BALANCES</b>	105,000	136,053	31,053	(8,450)	(6,989)	1,461	(58,790)	(43,906)	14,884
FUND BALANCES, JANUARY 1		246,613			44,481			73,080	
<b>FUND BALANCES, DECEMBER 31</b>		382,666			37,492			29,174	

**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, 2016**

	South Heights TIF			Dorsett TIF			Westport Plaza TIF		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
<b>REVENUES</b>									
Municipal taxes	3,100,000	2,804,606	(295,394)	150,000	178,871	28,871	-	379,152	379,152
Intergovernmental	-	-	-	-	-	-	-	-	-
Investment income	-	22,472	22,472	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>3,100,000</u>	<u>2,827,078</u>	<u>(272,922)</u>	<u>150,000</u>	<u>178,871</u>	<u>28,871</u>	<u>-</u>	<u>379,152</u>	<u>379,152</u>
<b>EXPENDITURES</b>									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	-	-	-
Economic development	100,000	50,130	(49,870)	150,000	11,525	(138,475)	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	2,339,000	2,435,000	96,000	-	-	-	-	-	-
Interest	757,000	660,050	(96,950)	-	-	-	-	-	-
Trustee Fees	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>3,196,000</u>	<u>3,145,180</u>	<u>(50,820)</u>	<u>150,000</u>	<u>11,525</u>	<u>(138,475)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(96,000)</u>	<u>(318,102)</u>	<u>(222,102)</u>	<u>-</u>	<u>167,346</u>	<u>167,346</u>	<u>-</u>	<u>379,152</u>	<u>379,152</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in (out)	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>(96,000)</u></u>	<u><u>(318,102)</u></u>	<u><u>(222,102)</u></u>	<u><u>-</u></u>	<u><u>167,346</u></u>	<u><u>167,346</u></u>	<u><u>-</u></u>	<u><u>379,152</u></u>	<u><u>379,152</u></u>
FUND BALANCES, JANUARY 1		<u>3,187,070</u>			<u>218,745</u>			<u>-</u>	
<b>FUND BALANCES, DECEMBER 31</b>		<u><u>2,868,968</u></u>			<u><u>386,091</u></u>			<u><u>379,152</u></u>	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Total Special Revenue Funds</u>			<u>Community Center Debt Service</u>			<u>Total Nonmajor Funds</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>									
Municipal taxes	4,469,000	4,586,425	117,425	-	-	-	4,469,000	4,586,425	117,425
Intergovernmental	48,000	28,235	(19,765)	-	-	-	48,000	28,235	(19,765)
Investment income	-	26,093	26,093	-	-	-	-	26,093	26,093
Other	-	6,130	6,130	-	5	5	-	6,135	6,135
Total Revenues	<u>4,517,000</u>	<u>4,646,883</u>	<u>129,883</u>	<u>-</u>	<u>5</u>	<u>5</u>	<u>4,517,000</u>	<u>4,646,888</u>	<u>129,888</u>
<b>EXPENDITURES</b>									
Current:									
Community development:									
Beautification	6,650	617	(6,033)	-	-	-	6,650	617	(6,033)
Economic development	250,000	61,655	(188,345)	-	-	-	250,000	61,655	(188,345)
Tourism	281,022	281,023	1	-	-	-	281,022	281,023	1
Public works:									
Streetlight	494,200	446,795	(47,405)	-	-	-	494,200	446,795	(47,405)
Sewer lateral	250,000	228,260	(21,740)	-	-	-	250,000	228,260	(21,740)
Public works projects:									
Streetlighting	87,000	25,800	(61,200)	-	-	-	87,000	25,800	(61,200)
Police services	128,770	110,303	(18,467)	-	-	-	128,770	110,303	(18,467)
Capital outlay	82,439	86,897	4,458	-	-	-	82,439	86,897	4,458
Debt service:									
Principal	2,339,000	2,435,000	96,000	600,000	600,000	-	2,939,000	3,035,000	96,000
Interest	757,000	660,050	(96,950)	380,000	377,133	(2,867)	1,137,000	1,037,183	(99,817)
Trustee Fees	-	-	-	5,000	3,079	(1,921)	5,000	3,079	(1,921)
Total Expenditures	<u>4,676,081</u>	<u>4,336,400</u>	<u>(339,681)</u>	<u>985,000</u>	<u>980,212</u>	<u>(4,788)</u>	<u>5,661,081</u>	<u>5,316,612</u>	<u>(344,469)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(159,081)	310,483	469,564	(985,000)	(980,207)	4,793	(1,144,081)	(669,724)	474,357
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in (out)	(63,140)	(53,925)	(9,215)	985,000	985,000	-	921,860	931,075	9,215
<b>NET CHANGE IN FUND BALANCES</b>	<u>(222,221)</u>	<u>256,558</u>	<u>478,779</u>	<u>-</u>	<u>4,793</u>	<u>4,793</u>	<u>(222,221)</u>	<u>261,351</u>	<u>483,572</u>
FUND BALANCES, JANUARY 1		<u>5,964,852</u>			<u>3,654</u>			<u>5,968,506</u>	
<b>FUND BALANCES, DECEMBER 31</b>		<u><u>6,221,410</u></u>			<u><u>8,447</u></u>			<u><u>6,229,857</u></u>	

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

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**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 CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Municipal taxes - gaming	\$ 3,000,000	3,123,977	123,977
Intergovernmental	3,540,000	3,452,139	(87,861)
Unspent encumbrances	-	537,964	537,964
Contributions	500,000	679,013	179,013
Total Revenues	7,040,000	7,793,093	753,093
<b>EXPENDITURES</b>			
Capital projects:			
Capital projects management	465,307	414,089	(51,218)
Annual slab/sidewalk replacement	1,000,000	888,691	(111,309)
Right-of-way enhancement program	100,000	53,925	(46,075)
Fee Fee Road and storm water	250,000	113,283	(136,717)
Progress Parkway	225,600	221,163	(4,437)
Sidewalk construction	375,000	324,914	(50,086)
Adie Road phase III	3,017,000	2,887,868	(129,132)
Public works capital equipment	150,000	138,046	(11,954)
Dorsett Road great streets implementation	150,000	-	(150,000)
Delord Ave	340,000	21,266	(318,734)
Grissom Drive	200,000	148,186	(51,814)
Creve Coeur Mill Road and storm water	75,000	27,843	(47,157)
Mckelvey Road	180,000	-	(180,000)
Diane Marie	11,500	4,384	(7,116)
Rose Acres Tributary	150,000	60,000	(90,000)
Holly Crest Court	60,000	160	(59,840)
Charente Drive	40,000	64	(39,936)
Project monitoring	25,000	-	(25,000)
Small storm water projects	426,000	235,722	(190,278)
12294 Autumn Hill Court	65,000	27,731	(37,269)
11814 Jonesdale Court	68,000	62,350	(5,650)
1347 Schulte Hill Drive	100,000	40,294	(59,706)
12271 Spring Place Court	110,000	39,930	(70,070)
Total Expenditures	7,583,407	5,709,909	(1,873,498)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(543,407)	2,083,184	2,626,591
<b>OTHER FINANCING SOURCES</b>			
Transfers in	63,140	53,925	(9,215)
<b>NET CHANGE IN FUND BALANCE</b>	\$ (480,267)	2,137,109	2,617,376
FUND BALANCE, JANUARY 1		6,000,253	
<b>FUND BALANCE, DECEMBER 31</b>		\$ 8,137,362	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE -**  
**BUDGET AND ACTUAL - COMMUNITY CENTER CONSTRUCTION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Investment income	\$ -	491	491
<b>EXPENDITURES</b>			
Community center construction:			
Engineering	-	26,078	26,078
Construction	1,616,000	268,046	(1,347,954)
Furniture, Fixtures, and Equipment	-	998,412	998,412
Total Expenditures	<u>1,616,000</u>	<u>1,292,536</u>	<u>(323,464)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (1,616,000)</u></u>	<u>(1,292,045)</u>	<u><u>323,955</u></u>
<b>FUND BALANCE, JANUARY 1</b>		<u>2,165,934</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 873,889</u></u>	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION**

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**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, 2016**

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	<b>Balance December 31 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31 2016</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash	\$ 536,410	600,071	539,703	596,778
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	372,297	368,840	3,457
Deposits held for others	536,410	600,380	543,469	593,321
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	\$ 536,410	972,677	912,309	596,778
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**SECTION III - STATISTICAL SECTION**

# CITY OF MARYLAND HEIGHTS, MISSOURI

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## 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.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	73 - 77
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue sources.	78 - 82
<b>Debt Capacity</b> 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.	83 - 86
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	87 - 88
<b>Operating Information</b> 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.	89 - 91

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)

	<b>December 31</b>									
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Governmental activities:										
Net investment in capital assets	\$ 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	138,230,734
Restricted for debt service	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	1,469,745
Restricted for other purposes	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	4,097,562
Unrestricted	<u>33,151,403</u>	<u>37,280,872</u>	<u>27,373,701</u>	<u>25,313,159</u>	<u>29,269,007</u>	<u>34,527,121</u>	<u>37,508,623</u>	<u>38,071,760</u>	<u>43,027,838</u>	<u>41,886,551</u>
Total Net Position	<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>	<u>185,684,592</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>EXPENSES</b>										
Legislative	\$ 139,663	250,661	143,972	139,354	151,333	146,509	154,813	149,994	148,426	196,712
General administration	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	2,429,857
Finance and accounting	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	1,439,402
Community development	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	2,133,831
Public works	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	10,330,201
Police services	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	11,049,136
Judicial	298,553	340,239	364,290	369,343	384,507	404,990	365,548	373,615	420,936	435,527
Parks and recreation	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	6,668,813
Human services	277,368	290,000	297,482	335,929	345,412	308,068	304,450	320,681	330,720	327,392
Interest on long-term debt	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	1,004,432
Total Expenses	<u>33,391,663</u>	<u>31,595,659</u>	<u>36,219,702</u>	<u>36,399,596</u>	<u>31,123,131</u>	<u>32,311,741</u>	<u>32,808,282</u>	<u>34,331,619</u>	<u>32,762,836</u>	<u>36,015,303</u>
<b>PROGRAM REVENUES</b>										
Charges for services:										
Community development	891,115	1,264,873	565,128	548,343	693,710	785,193	853,298	754,823	968,997	1,641,041
Public works	219,762	220,351	202,644	205,216	226,215	205,730	203,981	359,902	363,841	364,313
Police services	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	1,603,195
Judicial	221,595	222,167	225,844	212,139	226,722	232,470	196,005	209,128	163,763	100,127
Parks and recreation	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	903,828
Human services	34,288	46,761	58,111	34,442	41,404	47,464	-	-	-	-
Operating grants and contributions	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	2,177,867
Capital grants and contributions	203,379	2,565,202	4,681,889	2,008,578	5,718,036	692,983	1,452,327	298,273	870,588	4,782,425
Total Program Revenues	<u>7,467,507</u>	<u>10,348,334</u>	<u>11,611,681</u>	<u>9,053,045</u>	<u>12,523,210</u>	<u>7,711,805</u>	<u>8,327,349</u>	<u>7,419,639</u>	<u>8,097,920</u>	<u>11,572,796</u>
<b>NET REVENUE (EXPENSES)</b>	<u>(25,924,156)</u>	<u>(21,247,325)</u>	<u>(24,608,021)</u>	<u>(27,346,551)</u>	<u>(18,599,921)</u>	<u>(24,599,936)</u>	<u>(24,480,933)</u>	<u>(26,911,980)</u>	<u>(24,664,916)</u>	<u>(24,442,507)</u>
<b>GENERAL REVENUES</b>										
Gaming tax	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	10,413,257
Sales taxes	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	8,608,862
Utility tax	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	5,856,808
Property tax from tax increment financing	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	3,103,000
Hotel/motel tax	276,208	262,225	245,429	221,098	258,243	272,650	269,679	280,805	281,017	316,937
Cigarette tax	86,913	84,448	75,226	73,636	73,265	75,256	72,934	71,097	78,983	75,108
Business license tax	747,092	584,968	719,273	623,532	681,544	641,768	656,251	654,600	644,833	642,673
Cable franchise tax	241,050	263,742	301,004	330,568	351,505	369,568	364,730	402,200	419,403	397,243
Investment earnings	3,847,575	3,068,687	857,212	579,077	1,094,251	481,387	1,163	608,117	387,937	384,179
Gain on sale of capital assets	210,399	223,620	6,300	106,592	-	-	-	-	-	-
Other	21,019	117,096	101,662	262,672	79,328	691,817	822,969	99,615	187,412	228,214
Special items	-	-	(5,554,074)	-	-	-	-	-	-	-
Total General Revenues	<u>34,749,982</u>	<u>35,113,097</u>	<u>25,387,118</u>	<u>31,682,324</u>	<u>30,959,266</u>	<u>30,795,531</u>	<u>28,549,921</u>	<u>29,132,260</u>	<u>30,031,610</u>	<u>30,026,281</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 8,825,826</u>	<u>13,865,772</u>	<u>779,097</u>	<u>4,335,773</u>	<u>12,359,345</u>	<u>6,195,595</u>	<u>4,068,988</u>	<u>2,220,280</u>	<u>5,366,694</u>	<u>5,583,774</u>

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									
	2007	2008	2009	2010	2011*	2012*	2013*	2014*	2015*	2016*
<b>General Fund</b>										
Reserved	\$ 7,742,975	8,086,849	3,038,497	5,433,310	625,450 †	465,823 †	629,137 †	706,824	611,145	669,979
Unreserved	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	28,839,414
Nonspendable					466,223	282,002	330,411	624,466	558,931	654,231
Restricted					-	-	-	-	-	-
Committed					143,842	161,220	236,061	49,469	-	44,615
Assigned					15,385	22,601	62,665	11,316,656	52,214	15,748
Unassigned					31,343,370	35,442,869	36,107,860	25,003,829	27,153,577	28,839,414
<b>Total General Fund</b>	<u>\$ 36,696,296</u>	<u>41,481,854</u>	<u>28,976,175</u>	<u>30,441,069</u>	<u>31,968,820</u>	<u>35,908,692</u>	<u>36,736,997</u>	<u>36,994,420</u>	<u>27,764,722</u>	<u>29,554,008</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 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	-	6,800,583 ϕ
Unreserved, reported in:										
Special Revenue Funds	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	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	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	5,545,980
Committed					14,481,992	14,557,320	14,885,497	13,719,147	24,732,348	19,351,530
Assigned					-	-	-	-	-	-
Unassigned					-	-	(614)	-	(3,978)	-
<b>Total All Other Governmental Funds</b>	<u>\$ 31,200,680</u>	<u>23,967,430</u>	<u>24,675,753</u>	<u>19,357,733</u>	<u>23,020,055</u>	<u>21,896,352</u>	<u>21,605,253</u>	<u>20,770,828</u>	<u>39,223,028</u>	<u>24,897,510</u>

Note:

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

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

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

**CITY OF MARYLAND HEIGHTS, MISSOURI**

**Changes In Fund Balances Of Governmental Funds**

**Last Ten Fiscal Years**  
(Modified accrual basis of accounting)

	<b>For The Years Ended December 31</b>									
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>REVENUES</b>										
Municipal taxes	\$ 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	30,833,479
Licenses, permits, fines, and fees	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	4,131,966
Charges for services	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	917,610
Intergovernmental	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	4,553,577
Investment income	3,847,575	3,068,687	857,212	579,077	1,094,251	481,387	1,163	608,117	387,937	384,179
Other	542,666	354,180	278,757	251,078	58,705	653,075	832,979	103,159	110,137	892,845
<b>Total Revenues</b>	<b>41,998,544</b>	<b>45,277,023</b>	<b>41,298,999</b>	<b>40,285,443</b>	<b>43,742,425</b>	<b>38,541,899</b>	<b>36,709,696</b>	<b>36,261,487</b>	<b>38,139,821</b>	<b>41,713,656</b>
<b>EXPENDITURES</b>										
Current:										
Legislative	139,663	250,661	143,972	139,354	151,333	146,509	154,813	149,994	148,426	196,712
General administration	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	1,778,734
Finance and accounting	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	1,350,643
Community development	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	2,064,384
Public works	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	5,715,116
Police services	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	10,451,192
Judicial	295,186	338,085	364,934	370,630	382,877	404,940	367,890	349,818	429,712	426,655
Parks and recreation	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	3,707,017
Human services	277,859	290,105	298,189	335,525	344,784	345,791	303,943	322,834	337,171	324,502
Capital outlay	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	24,227,800
Debt service:										
Principal	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	3,035,000
Issuance costs	692,563	-	-	-	-	-	-	-	307,356	-
Interest	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	1,037,183
<b>Total Expenditures</b>	<b>47,274,810</b>	<b>48,659,176</b>	<b>53,096,355</b>	<b>44,293,075</b>	<b>38,606,451</b>	<b>35,795,174</b>	<b>36,235,823</b>	<b>36,871,977</b>	<b>44,094,801</b>	<b>54,314,938</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,276,266)</b>	<b>(3,382,153)</b>	<b>(11,797,356)</b>	<b>(4,007,632)</b>	<b>5,135,974</b>	<b>2,746,725</b>	<b>473,873</b>	<b>(610,490)</b>	<b>(5,954,980)</b>	<b>(12,601,282)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from certificates of participation issued	-	-	-	-	-	-	-	-	15,000,000	-
Premium on issuance of certificate of participation	-	-	-	-	-	-	-	-	109,107	-
Proceeds of tax increment financing notes	-	-	-	-	-	-	-	-	-	-
Proceeds of refinancing tax increment notes issued	23,194,813	-	-	-	-	-	-	-	-	-
Transfers in	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	1,038,925
Transfers out	(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)	(1,038,925)
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	2,653,185	-	-	154,506	-	69,444	63,333	33,488	68,375	65,050
<b>Total Other Financing Sources (Uses)</b>	<b>7,856,666</b>	<b>934,461</b>	<b>-</b>	<b>154,506</b>	<b>54,099</b>	<b>69,444</b>	<b>63,333</b>	<b>33,488</b>	<b>15,177,482</b>	<b>65,050</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ 2,580,400</b>	<b>(2,447,692)</b>	<b>(11,797,356)</b>	<b>(3,853,126)</b>	<b>5,190,073</b>	<b>2,816,169</b>	<b>537,206</b>	<b>(577,002)</b>	<b>9,222,502</b>	<b>(12,536,232)</b>
Debt service as a percentage of noncapital expenditures	12.06 %	13.84	26.12	6.75	10.55	9.03	8.97	8.37	10.13	12.93

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)

<b>For The Years Ended December 31</b>	<b>Gaming</b>	<b>Utility Gross Receipts</b>	<b>Sales</b>	<b>Other</b>	<b>Total</b>
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	6,163,361	8,634,010	5,880,749	30,841,101
2016	10,413,257	5,876,388	8,669,234	5,874,599	30,833,478

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

## CITY OF MARYLAND HEIGHTS, MISSOURI

### Gross Receipts Tax On Utilities - Rates, Direct And Overlapping

**Last Ten Fiscal Years**  
(Modified accrual basis of accounting)

Category Of Utility	For The Years Ended December 31									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Electric	\$ 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	62,942,519
Gas	16,123,227	17,930,088	16,425,060	14,037,273	14,268,982	11,865,455	12,912,504	14,192,432	13,089,034	10,770,649
Telephone	17,273,481	27,376,700	28,085,431	31,785,691	29,910,473	31,915,927	31,478,083	29,832,167	27,278,887	25,901,841
Water	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	7,228,405
Total Gross Receipts Of Utilities	\$ 84,678,387	96,782,866	97,194,786	105,127,218	108,948,527	108,757,054	113,618,864	114,003,764	112,061,113	106,843,414
Rate	5.5 %	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Revenue	\$ 4,657,311	5,323,058	5,345,713	5,781,997	5,992,169	5,981,638	6,249,038	6,270,207	6,163,361	5,876,388

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.

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

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Principal Taxpayers - Gross Receipts Tax On Utilities

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

Taxpayer	2016			2007		
	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts
Ameren Missouri	\$ 62,942,519	1	58.91 %	\$ 47,063,104	1	55.58 %
Laclede Gas	10,706,248	2	10.02	16,123,218	2	19.04
Missouri-American Water Co.	7,228,405	3	6.77	4,218,575	4	4.98
AT&T Missouri (formerly, Southwestern Bell)	5,470,603	4	5.12	8,377,812	3	9.89
New Cingular Wireless PCS LLC (formerly, AT&T Mobility II LLC)	5,328,091	5	4.99	-	-	-
			<u>85.81 %</u>			<u>89.49 %</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>
2016	0.500 %	2.888 %	4.225 %	7.613 %
2015	0.500	2.888	4.225	7.613
2014	0.500	2.888	4.225	7.613
2013	0.500	2.888	4.225	7.613
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

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	2007		2008		2009		2010		2011	
	Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable Gross Receipts								
Wholesale trade - durable goods	\$ 134,865	15.46 %	\$ 53,576	7.08 %	\$ 46,477	6.81 %	\$ 42,823	6.31 %	\$ 47,916	7.15 %
Eating and drinking places	96,557	11.08	99,141	13.10	91,968	13.48	87,964	12.97	87,024	12.98
Miscellaneous services	81,870	9.39	80,739	10.66	75,907	11.13	96,893	14.28	95,900	14.31
Miscellaneous retail	96,410	11.06	54,503	7.20	43,879	6.43	42,921	6.33	39,452	5.88
Electric, gas, and sanitary services	58,406	6.70	36,210	4.78	38,841	5.69	38,725	5.71	42,496	6.34
Food stores	51,265	5.88	45,744	6.04	50,270	7.37	49,323	7.27	48,076	7.17
Amusement/recreation services, except motel	41,227	4.73	40,572	5.36	25,260	3.70	23,666	3.49	19,738	2.94
Hotels, rooming houses, and camps/other	52,243	5.99	51,921	6.86	41,844	6.13	40,651	5.99	43,309	6.46
Communication	38,582	4.43	37,937	5.01	37,631	5.52	33,144	4.88	29,597	4.41
Other	220,420	25.28	256,719	33.91	230,080	33.74	222,315	32.77	216,922	32.36
<b>Total Taxable Sales</b>	<b>\$ 871,845</b>	<b>100.00 %</b>	<b>\$ 757,062</b>	<b>100.00 %</b>	<b>\$ 682,157</b>	<b>100.00 %</b>	<b>\$ 678,425</b>	<b>100.00 %</b>	<b>\$ 670,430</b>	<b>100.00 %</b>

Industry	2012		2013		2014		2015		2016	
	Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable Gross Receipts								
Wholesale trade - durable goods	\$ 45,019	6.41 %	\$ 48,196	6.43 %	\$ 52,750	6.59 %	\$ 55,914	6.61 %	\$ 57,208	6.56 %
Eating and drinking places	89,384	12.72	90,336	12.05	91,090	11.39	96,884	11.45	99,636	11.42
Miscellaneous services	115,728	16.47	156,850	20.93	176,943	22.12	176,657	20.87	199,422	22.86
Miscellaneous retail	40,626	5.78	41,098	5.48	49,991	6.25	51,368	6.07	56,380	6.46
Electric, gas, and sanitary services	42,099	5.99	44,243	5.90	44,398	5.55	44,848	5.30	43,074	4.94
Food stores	49,272	7.01	47,571	6.35	48,536	6.07	50,500	5.97	53,126	6.09
Amusement/recreation services, except motel	18,261	2.60	15,577	2.08	12,387	1.55	14,046	1.66	16,021	1.83
Hotels, rooming houses, and camps/other	47,258	6.73	48,626	6.49	49,129	6.14	51,193	6.05	53,558	6.14
Communication	24,546	3.50	22,713	3.03	24,707	3.09	24,567	2.90	20,442	2.34
Other	230,391	32.79	234,317	31.26	249,944	31.25	280,296	33.12	273,552	31.36
<b>Total Taxable Sales</b>	<b>\$ 702,584</b>	<b>100.00 %</b>	<b>\$ 749,527</b>	<b>100.00 %</b>	<b>\$ 799,875</b>	<b>100.00 %</b>	<b>\$ 846,273</b>	<b>100.00 %</b>	<b>\$ 872,419</b>	<b>100.00 %</b>

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>
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
2016	5,469	235,457	10,413	25.0

Revenue amounts are on the modified accrual basis of accounting.

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

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

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

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Ratios Of Outstanding Debt By Type

### Last Ten Fiscal Years

	December 31									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Certificates of participation	\$ -	-	-	-	-	-	-	-	15,104,148	14,498,738
Tax increment notes and bonds*	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	8,129,550
Leasehold revenue bonds**	10,835,000	8,615,000	-	-	-	-	-	-	-	-
Total Debt Outstanding	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	22,628,288
Less - Reserve for debt service	(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)	(1,469,745)
Net Debt Outstanding	<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>	<u>21,158,543</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>812,814,064</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>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>	<u>2.60</u>
Population	<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>	<u>27,472</u>
Per Capita Debt	<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>	<u>770</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 108,045,042	108,318,995	103,009,992	102,084,063	98,726,303	108,501,346	102,570,821	102,126,516	98,627,478	98,606,671
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>102,126,516</u>	<u>98,627,478</u>	<u>98,606,671</u>

**Calculation for Fiscal Year 2016:**

Assessed value	\$ 986,066,713
Debt limit--10% of assessed value	\$ 98,606,671

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, 2016

	<b>Debt Outstanding</b>	<b>Percent* Applicable To Maryland Heights</b>	<b>Amount Applicable To Maryland Heights</b>
St. Louis County	\$ 101,310,000	4.35 %	\$ 4,403,779
Monarch Fire Protection District <sup>1</sup>	-	0.48	-
Metropolitan St. Louis Sewer District	1,456,121,056	7.74	112,632,502
Pattonville Fire Protection District <sup>1</sup>	14,600,000	29.73	4,340,077
Pattonville School District <sup>1</sup>	59,020,000	49.83	29,409,666
Parkway School District <sup>1</sup>	212,795,000	8.77	18,670,199
Special School District <sup>1</sup>	-	4.35	-
Maryland Heights Fire Protection District <sup>1</sup>	7,093,372	94.84	6,727,397
Creve Coeur Fire Protection District <sup>1</sup>	9,500,000	10.41	988,815
Subtotal, Overlapping Debt			177,172,435
City of Maryland Heights direct debt			22,628,288
Total Direct And Overlapping Debt			\$ 199,800,723

<sup>1</sup>Only 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tax increment financing (TIF) sales tax	\$ 103,059	114,432	94,424	105,868	128,017	124,599	102,994	153,157	250,629	241,631
TIF property tax	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	2,562,975
<b>Total Available Revenue</b>	<b>\$ 1,155,359</b>	<b>1,974,390</b>	<b>1,769,644</b>	<b>3,437,126</b>	<b>2,892,870</b>	<b>3,020,663</b>	<b>1,528,527</b>	<b>2,895,176</b>	<b>3,258,267</b>	<b>2,804,606</b>
Debt Service (interest due including increases to the notes)	\$ 1,629,164	1,666,196	2,102,300	2,263,536	3,037,525	2,669,123	2,695,300	2,595,150	2,870,275	3,095,050
Ratio	0.71	1.18	0.84	1.52	0.95	1.13	0.57	1.12	1.14	0.91
TIF notes issued:										
Series 2001A	\$ 61,018	-	-	-	-	-	-	-	-	-
Series 2001B	803,795	-	-	-	-	-	-	-	-	-
Total TIF Notes Issued During The Year	864,813	-	-	-	-	-	-	-	-	-
TIF notes outstanding at January 1	16,903,219	-	-	-	-	-	-	-	-	-
TIF notes refunded	-	-	-	-	-	-	-	-	-	-
<b>TIF Notes Outstanding At December 31</b>	<b>\$ 17,768,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
TIF bonds issued:										
Series 2007A	\$ 17,175,000	-	-	-	-	-	-	-	-	-
Series 2007B	5,155,000	-	-	-	-	-	-	-	-	-
Total TIF Bonds Issued During The Year	<b>\$ 22,330,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	10,595,000
Principal paid		785,000	840,000	1,065,000	1,880,000	1,615,000	1,730,000	1,725,000	2,095,000	2,435,000
<b>TIF Bonds Outstanding At December 31</b>		<b>\$ 21,545,000</b>	<b>20,705,000</b>	<b>19,640,000</b>	<b>17,760,000</b>	<b>16,145,000</b>	<b>14,415,000</b>	<b>12,690,000</b>	<b>10,595,000</b>	<b>8,160,000</b>

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>	
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
2016	27,472	812,814	29,587	5,468	17,551	3.60

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>2016</u>			<u>2007</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	6.29 %	-	-	- %
Edward Jones	1,799	2	4.22	1,649	3	3.12
Hollywood Casino St. Louis	1,459	3	3.42	-	-	-
Charter Communications Entertainment	1,387	4	3.26	-	-	-
United Health Care of the Midwest	900	5	2.11	900	5	1.64
Schnucks Markets	853	6	2.00	-	-	-
World Wide Technologies	771	7	1.81	-	-	-
Elsevier Science	724	8	1.00	630	6	1.19
Bunge North America	650	9	1.53	-	-	-
The Boeing Group	641	10	1.50	-	-	-
Express Scripts, Inc.	-	-	-	2,005	1	3.79
Harrah's Casino	-	-	-	1,814	2	3.43
TALX	-	-	-	973	4	1.84
Quest Diagnostic Clinical Laboratories	-	-	-	521	7	0.98
Watlow Electric Manufacturing	-	-	-	465	8	0.88
St. Louis Post Dispatch	-	-	-	312	9	0.59
Cocoa-Cola Bottling Company of St. Louis	-	-	-	161	10	0.30
Total	<u>11,864</u>		<u>27.14 %</u>	<u>9,430</u>		<u>17.76 %</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/Programs<sup>1</sup>

### Last Ten Fiscal Years

Functions/Programs	December 31									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government:										
Administration	9.39	8.89	9.10	8.25	7.50	7.50	8.75	8.75	9.75	9.50
Finance	9.25	9.25	9.25	9.00	9.00	9.00	9.25	9.25	9.00	9.00
Community development	17.50	19.42	20.25	19.45	19.25	19.25	18.25	19.25	19.25	20.25
Municipal court	4.75	5.27	5.65	5.65	5.65	5.65	5.65	4.30	5.30	5.30
Human services	2.40	2.40	2.40	2.80	2.80	2.80	3.60	1.80	1.90	1.90
Police:										
Officers	78.00	79.00	79.00	79.00	79.00	79.00	79.00	79.00	78.20	78.00
Civilians	18.40	19.20	19.20	19.20	19.20	18.20	18.20	18.80	17.90	17.90
Public works:										
Engineering and administration	4.25	5.25	5.25	5.00	5.00	5.00	5.00	5.00	4.00	4.00
Road and bridges	15.50	15.50	15.50	15.50	14.50	15.50	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	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Construction management	7.25	7.25	6.25	6.25	6.25	6.25	6.25	6.25	5.25	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	11.65	11.20	10.50	10.50	10.20	9.80	9.90	11.40	12.30	32.36
Community Centre	13.45	13.45	13.55	13.45	13.70	13.45	13.70	13.80	13.80	6.57
Government center maintenance	2.25	3.25	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00
Sportport	7.50	7.60	7.55	7.20	-	-	-	-	-	-
Aquaport	2.55	2.60	2.50	2.50	2.50	2.50	2.90	2.90	2.90	2.55
Parks maintenance	7.75	8.50	8.50	8.50	8.50	8.50	9.20	9.20	9.20	10.70
Total	223.84	231.03	232.45	230.25	221.05	220.40	223.15	222.20	221.25	235.78

Source: Payroll Data from Finance Department

<sup>1</sup>An 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sectors	6	6	6	6	6	6	6	6	6	6
Marked patrol units	26	26	26	26	26	26	26	26	26	27
Public works:										
Streets (miles)	95	97	97	97	97	97	97	97	97	97
Streetlights	1,870	1,893	1,904	1,922	1,948	1,956	1,956	1,961	1,948	1,954
Parks and recreation:										
Recreational facilities	8	8	8	8	8	8	8	8	8	7 *
Acreage <sup>1</sup>	107	107	123	123	123	123	123	123	123	123
Playgrounds	6	6	7	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	N/A *
Soccer fields	14	14	14	14	14	14	14	14	14	14

Source: Various City departments

<sup>1</sup>Acreage does not include undeveloped park land.

\* In transition to opening a new community center, which opened in April 2017.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Operating Indicators By Functions/Programs

Last Ten Fiscal Years

Functions/Programs	December 31									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police</b>										
Adult arrests	4,694	4,482	4,617	4,708	5,020	5,184	4,947	4,730	4,655	4,042
Juvenile arrests	372	347	485	488	386	457	197	135	105	84
Hazardous citations	8,476	7,975	7,958	7,037	7,174	6,404	5,545	5,650	5,520	4,249
Nonhazardous citations	5,914	5,483	6,008	6,403	6,768	6,281	6,731	6,185	5,990	5,178
Emergency calls	495	514	410	438	422	357	574	554	566	617
Nonemergency calls	53,079	55,794	48,868	49,989	54,152	50,099	64,310	68,369	73,634	79,859
<b>Public Works</b>										
Street asphalt repairs tons	139	93	118	138	224	190	63	152	134	71
Street concrete repairs sq. yds.	32,088	28,610	41,335	66,357	31,408	34,980	43,644	20,767	12,097	1,283
Sidewalk replacement sq. ft.	28,997	26,892	39,685	41,016	19,801	8,557	19,932	14,608	2,763	9,530
Trees maintained	849	1,437	1,786	1,394	836	1,306	1,574	1,245	1,677	3,027
Stormwater inlet repairs	180	146	134	65	77	66	69	114	70	86
Sewer lateral repairs	65	51	56	58	51	64	48	61	73	67
<b>Parks and Recreation</b>										
Total programs offered	705	955	861	828	1,048	894	786	781	871	411
Total program registrations	7,308	6,890	6,933	7,091	7,142	7,556	7,071	7,888	5,910	5,842
Room set-ups	2,107	2,128	2,026	2,204	2,198	2,732	3,409	3,338	3,425	2,061
Room rentals	2,107	2,128	2,026	2,192	2,198	2,426	2,454	2,459	2,404	1,735
Rental attendance	83,470	83,873	69,527	74,510	68,178	82,096	65,954	72,756	74,276	35,620
<b>Community Development</b>										
Zoning permits	150	375	358	347	286	168	150	134	133	146
Business licenses	1,925	1,760	1,609	1,787	1,718	1,621	1,695	1,564	1,778	1,665
Building permits	790	790	904	716	1,229	1,675	1,727	1,254	1,280	1,351
Building inspections	3,410	4,150	3,328	3,237	5,099	4,955	3,901	3,035	3,534	3,924
Code inspections	1,021	1,089	1,554	1,717	1,532	2,483	1,693	1,421	2,384	1,751
Notice of code violation sent	470	348	703	650	606	934	473	362	528	321
<b>Finance and Administration</b>										
Bid solicitations	20	18	15	17	21	20	20	16	19	20
Press releases issued	38	32	25	35	30	30	25	4	10	16
Public inquiry responses - email	525	465	290	311	273	200	285	233	210	270

Source: Various City departments