

# City of Maryland Heights, Missouri



Comprehensive Annual Financial Report

For The Year Ended December 31, 2017

# **CITY OF MARYLAND HEIGHTS, MISSOURI**

## **Comprehensive Annual Financial Report For The Fiscal Year Ended December 31, 2017**

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

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**FINANCIAL REPORT**

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**FINANCIAL REPORT**

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**SECTION I - INTRODUCTORY SECTION**

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**PRINCIPAL OFFICIALS**  
**DECEMBER 31, 2017**

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**MAYOR**

G. Michael Moeller

**CITY COUNCIL**

David Grant

Gavin Park

Kimberly Baker

Edwin L. Dirck, Jr.

Charles Caverly

Nancy Medvick

James Carver

Norman A. Rhea

**CITY ADMINISTRATOR**

Jim Krischke

**CITY CLERK**

Joann Cova

**CHIEF OF POLICE**

William Carson

**DIRECTOR OF PUBLIC WORKS**

Cliff Baber

**DIRECTOR OF FINANCE**

David V. Watson

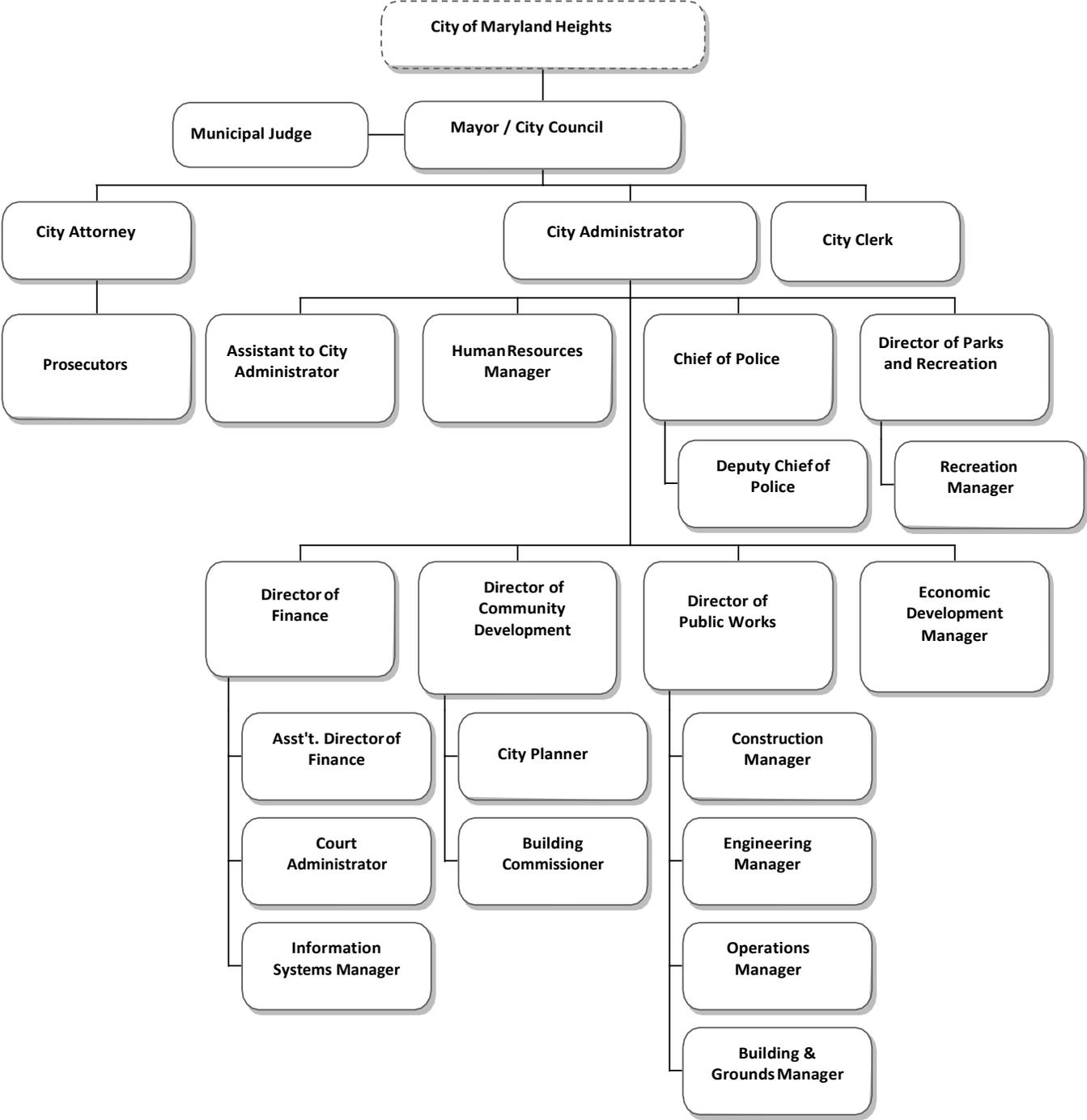
**DIRECTOR OF COMMUNITY DEVELOPMENT**

Michael Zeek

**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, 2016**

*Christopher P. Morill*

Executive Director/CEO



June 8, 2018

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, 2017, 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, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the year ended December 31, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

### **Profile of the City**

The City is located approximately 20 miles northwest of downtown St. Louis, Missouri. The City covers about 23.4 square miles and serves a population of 27,472 residents occupying approximately 12,200 housing units. The business community is quite diverse with 1,700 businesses employing 50,000 people. Also notable is the existence of over 4,000 hotel rooms, a casino, a 21,000 capacity outdoor amphitheater, and other popular nightlife activities. On a busy day, more than 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 49 through 52 as required supplementary information. For other governmental funds that have an adopted budget, comparison schedules are found in other supplementary information beginning on page 59.

### **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, Charter Communications, World Wide Technology, Magellan Behavioral Health, Hollywood Casino, and United Healthcare of the Midwest.

Commercial development activities remained strong in 2017. At year-end three new hotels were in various stages of construction. Two large Maryland Heights-based businesses completed construction of new facilities including World Wide Technology's headquarters and Watlow Electric. The City completed the construction of a new community center, the Humane Society of Missouri opened a new pet adoption center and Ranken Jordan Pediatric Bridge Hospital continued construction of its 75,000 square foot expansion. The City's first large scale residential development in nearly 20 years began construction in 2017 that will result in 77 new single family homes, 25 row houses and 240 apartments.

**Riverboat gaming.** A large portion (about 24% in 2017) 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 \$24 million are planned for the years 2018 through 2022. 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 2017.

### **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 92,000 square foot complex includes 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, 2016. This is the 29th 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.

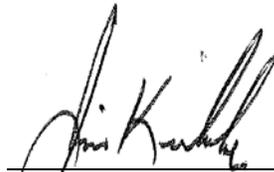
The GFOA also gave an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report (PAFR) issued for the fiscal year ended December 31, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national 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, 2017. In order to qualify for the award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

## **ACKNOWLEDGMENTS**

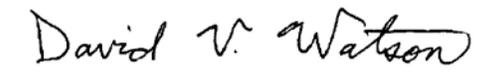
This report could not have been completed without the assistance of the entire administrative staff of the various departments of the City. Special thanks go to Assistant Director of Finance Cathy Malawy for her contributions. We would also like to acknowledge our auditors, Hochschild, Bloom and Company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

Respectfully submitted,



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Jim Kruschke  
City Administrator



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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 8 , 2018

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, 2017, 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.

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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, 2017, 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 8, 2018 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, 2017

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, 2017. 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 \$195,347,387 ("net position"). Of this amount, \$46,014,976 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 \$9,662,795 due to revenues exceeding expenses by that amount.
- As of the close of fiscal year 2017, the City's governmental funds reported combined ending fund balances of \$52,329,126, a decrease of \$2,122,392 in comparison with the prior year. The amount of unrestricted fund balances available for future spending was \$48,105,701 or 92% of the total. (See description on following pages, "fund financial statements".)
- At the end of 2017, unassigned fund balance for the General Fund was \$26,256,987 or 118% of total General Fund expenditures for the year. This represents a decrease from \$28,839,414 in 2016. Total General Fund balance decreased from \$29,554,008 to \$26,754,722 due to transfers out for capital improvements.
- The City's major source of revenue - gaming taxes (taxes on casino gambling) - totaled \$10,388,263 in 2017 or 23.9% of governmental fund total revenues. This represents a decrease of 0.2% from 2016.

### 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, 2017

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

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2017

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 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 financial statements can be found on pages 25 through 47 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 49 through 56 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 58 through 71 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 \$195,347,387 at the close of the most recent fiscal year ended December 31, 2017.

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, 2017

	<u>December 31</u>	
	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current and other assets	\$ 56,959,165	60,224,047
Capital assets, net	<u>159,400,382</u>	<u>152,729,472</u>
Total Assets	<u>216,359,547</u>	<u>212,953,519</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	<u>3,138,108</u>	<u>5,568,938</u>
<b>LIABILITIES</b>		
Long-term liabilities	19,838,227	27,496,490
Other liabilities	<u>2,597,694</u>	<u>4,312,320</u>
Total Liabilities	<u>22,435,921</u>	<u>31,808,810</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred amounts related to pensions	<u>1,714,347</u>	<u>1,029,055</u>
<b>NET POSITION</b>		
Net investment in capital assets	145,517,057	138,230,734
Restricted	3,815,354	5,567,307
Unrestricted	<u>46,014,976</u>	<u>41,886,551</u>
Total Net Position	<u>\$195,347,387</u>	<u>185,684,592</u>

An additional portion of the City's net position (2%) represents restricted assets, resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$46,014,976) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the 2017 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 \$9,662,795. Key elements of this increase are as follows:

**CITY OF MARYLAND HEIGHTS, MISSOURI**

Management's Discussion and Analysis

For The Year Ended December 31, 2017

	<b>For The Years</b>	
	<b>Ended December 31</b>	
	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 4,721,659	4,612,504
Operating grants and contributions	2,201,262	2,177,867
Capital grants and contributions	5,481,297	4,782,425
General revenues:		
Gaming tax	10,388,263	10,413,257
Sales tax	9,872,492	8,608,862
Utility tax	6,116,132	5,856,808
Property tax from tax increment financing	3,150,603	3,103,000
Other taxes	407,102	392,045
Licenses and permits	964,184	1,039,916
Investment earnings	529,029	384,179
Other	<u>324,878</u>	<u>228,214</u>
Total Revenues	<u>44,156,901</u>	<u>41,599,077</u>
<b>EXPENSES</b>		
Governmental activities:		
Legislative	160,774	196,712
General administration	2,685,671	2,429,857
Finance and accounting	1,349,977	1,439,402
Community development	2,278,066	2,133,831
Public works	10,140,858	10,330,210
Police services	10,760,469	11,049,136
Judicial	324,429	435,527
Parks and recreation activities	5,757,671	6,668,813
Human services	210,219	327,392
Interest on long-term debt	<u>825,972</u>	<u>1,004,432</u>
Total Expenses	<u>34,494,106</u>	<u>36,015,303</u>
<b>CHANGE IN NET POSITION</b>	9,662,795	5,583,774
<b>NET POSITION, JANUARY 1</b>	<u>185,684,592</u>	<u>180,100,818</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$195,347,387</u>	<u>185,684,592</u>

**SIGNIFICANT CHANGES IN FUND NET POSITION**

The increase in net position of \$9,662,795 is attributed to the ongoing situation of revenues exceeding expenses. In 2017, the City's governmental funds decreased \$2.1m - a difference of \$11.7m between the increase in net position and the decrease of fund balances. The City invested in new capital assets and extending the life of

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

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

**For The Year Ended December 31, 2017**

infrastructure assets, an increase of \$6.7m net of depreciation, retirements, and transfers. Further, repayment of principal on long-term liabilities amounted to \$4.6m in 2017.

Expenses for 2017 were 4.2% lower than 2016 while revenues increased by 5.7%.

Intergovernmental revenues for capital grants and contributions from private concerns for infrastructure projects increased \$700k in 2017 from 2016. Notably, in 2017 the City received \$5m from a local not-for-profit organization, Great Rivers Greenway, for park improvements related to a new hiking/biking trail.

The City's largest revenue source, gaming taxes, which accounts for about 23.9% of the total revenue was down 0.2% (\$24,994) from 2016.

Sales taxes, which comprise 22% of 2017 revenues, increased 14.6% from 2016. A new distribution formula implemented in 2017 for the St. Louis County-wide sales tax accounted for \$700k of the increase. A new sales tax for public safety purposes imposed by St. Louis County and shared with municipalities took affect late in 2017 which brought in \$331k to the City. The City's half-cent levy for Parks increased \$250k in 2017 from 2016.

Gross receipts taxes on utilities (14% of total revenues) were up \$259k (4%) in 2017 due to a settlement from Ameren for taxes on certain electric utility revenues that Ameren had not previously reported as subject to the City's tax. Further, while gas utility taxes increased 13% due to increases in natural gas prices, telecommunication taxes fell 18%.

Charges for services increased \$88k from 2016. The opening in May, 2017 of a new community center resulted in an increase of \$587k in recreation user fees. This more than offset the decline in building permit revenues of \$400k in 2017.

Investment earnings increased in 2017 by \$145k (38%) from 2016 as interest rates moved higher.

Other revenue increased 42% in 2017 from the gain on sale of fixed assets in 2017.

Total expenses decreased \$1.5 million (4.2%) in 2017 primarily due to loss on disposal on the City's Community Center (\$2.1 million) that was recorded in 2016.

Interest on long-term debt decreased 17.8% (\$178k) in 2017 due to lower outstanding debt in 2017 primarily the South Heights Tax Increment Financing bonds.

### **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, 2017

**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 2017, the City's governmental funds reported combined ending fund balances of \$52,329,126, a decrease of \$2,122,392 from 2016. Most of the decrease is related to the use of the fund balance in the South Heights Tax Increment Financing Fund to redeem outstanding debt. Expenditures exceeded revenues by \$1.7 million in this fund.

Over 50% of the total governmental fund balances (\$26,256,987) at December 31, 2017 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 \$429,398, restricted balances of \$3,794,027, committed balances of \$21,829,607, and assigned balances of \$19,107.

The nonspendable funds represent prepaid expenditures existing at December 31, 2017.

The restricted funds are comprised of resources that have enforceable limitations on their use that include debt service (\$15,501), police services (\$146,581), storm water projects and services (\$603,719), police officer training (\$36,114), sewer lateral (\$508,521), beautification (\$35,641), tourism (\$54,474) and tax increment financing (\$2,393,476).

The committed funds are those that the City Council, through formal action, has imposed constraints on their use and consist of parks and recreation (\$5,578,984), capital improvements (\$14,282,511), streetlighting (\$1,918,882) and funds committed for specific supplies, services, and other current expenditures (\$49,230).

The assigned balance consists of funds that the City intends to use for specific supplies, services, and other current expenditures (\$19,107) 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 2017 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 118% of the total General Fund's expenditures. The General Fund's total balance represents 120% of 2017 expenditures.

## CITY OF MARYLAND HEIGHTS, MISSOURI

### Management's Discussion and Analysis

For The Year Ended December 31, 2017

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

- In 2017, the Special Park Fund increased \$870,553, due to revenues exceeding expenditures by \$1,897,668 less a transfer to the Community Center Debt Service Fund of \$985,000 (represents the 2017 debt service due on the bonds issued in January, 2015) and a transfer to the general fund of \$100,000 plus insurance proceeds of \$22,918 and sale of capital assets of \$34,967 to a fund balance of \$5,578,984. Revenues in the fund are comprised of a sales tax restricted for parks, user fees, and grants.
- The Capital Improvements Fund increased \$5,171,263 in 2017 due to revenues exceeding expenditures by \$171,263 less a transfer in of \$5,000,000 from the General Fund. Revenues in the fund consist primarily of a portion (30%) of the gaming tax revenue, and grant revenues related to specific infrastructure projects. The fund balance at December 31, 2017 was \$13,988,303 of which \$2.1 million is under contract to complete specific projects. Further, the City has an agreement to use \$5 million of the fund balance to provide for the construction of a new indoor/outdoor ice arena. 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 2017, the cash (and cash equivalents) had increased \$463,705 (to \$1,060,483) from 2016 due to increased funds held for development projects. Municipal court bonds represent about 14% 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 2017, investments had a net increase in value of \$456,037. Benefits totaling \$29,301 were paid during 2017. The fund had \$3,806,645 in assets at December 31, 2017.

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 2017 budget for the City's General Fund represents an original expenditure budget of \$23,200,643 with a net decrease of \$99,500 to \$23,101,143, a downward adjustment of four tenths of a percent (.4%). The changes during the year were as follows:

- An increase in the legislative department of \$10,000 for professional development costs that were higher than expected.
- A net increase in the administration department of \$139,920. An increase of \$104,920 in the legal services program of the administration department primarily related to the shifting of personnel from the

## CITY OF MARYLAND HEIGHTS, MISSOURI

### Management's Discussion and Analysis

For The Year Ended December 31, 2017

municipal court budget to the City prosecutor to respond to recent court reform in St. Louis County. Lower than expected costs in the city clerk's office (\$10,000), city administrator's office (\$21,000), and central services (\$20,000) provided for the need to increase human resources by \$56,000 for city-wide employee training and personnel consulting services. Risk management was increased for higher than anticipated liability and property insurance.

- A decrease of \$2,000 in the finance and accounting department due to lower than expected costs.
- A net decrease of \$112,000 in the community development department primarily related to lower than expected personnel costs due to an unfilled position.
- A decrease of \$40,000 in the public works department due to turnover in the director position.
- A net decrease of \$22,500 in the police department from lower than expected personnel costs.
- A decrease of \$72,920 in the judicial department related to the shifting of resources to the prosecutor activity of legal services.

The City revises revenue estimates as information becomes available. General Fund 2017 revenue estimates were decreased by a net of \$60,000 (0.3%).

Increases to the estimates for gaming taxes (\$160,000), investment income (\$100,000) and miscellaneous (\$50,000) totaled \$310,000. Decreases to the expected utilities gross receipts tax (\$50,000), court fines and fees (\$300,000), and charges for services (\$20,000) totaled \$370,000.

The General Fund ended the year with budgetary revenues exceeding expenditures by \$1,969,348. Other financing sources and uses netted a decrease in budgetary fund balance of \$4,782,282. The other financing sources consisted of transfers to and from other funds, insurance proceeds, and proceeds from the sale of assets. Notably, a transfer of \$5 million was made to the Capital Improvement Fund to provide for the City's share of funding a regional sports facility planned for 2018. The result was a total decrease in budgetary funds of \$2,812,934 in 2017 to \$26,889,090 at year-end.

The actual General Fund revenues and expenditures for the year varied slightly from the 2017 amended budget. Total actual revenues were 4.6% (\$1.1m) higher than budgeted and total actual expenditures were 3.7% (\$856k) lower than budgeted. The noteworthy variances were:

- Gaming taxes were up 2.7% in 2017. The revised budget assumed a slight increase. The taxes had dropped the five years 2011 to 2015. The General Fund's share was \$183,463 higher than the amended budget.
- Sales taxes were up 14.6% in 2017. The revised budget assumed a 7% increase. As noted previously, the City benefitted from a new distribution formula implemented in 2017 of the one percent County-wide sales tax. Further, the City budget did not anticipate the new County sales tax for public safety that was imposed in late 2017.
- Expenditures were \$835k (3.6%) below budgeted levels in 2017 from various activities. Personnel related costs account for about half the variance due to unbudgeted employee turnover and unfilled vacant positions.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2017

None of the noted expenditure variances indicate any major long-term financial issues for the General Fund. The variance related to the sales tax is indicative to a new revenue source expected to provide \$1.4 million annually.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The City's investment in capital assets as of December 31, 2017 amounts to \$159,400,382 (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 \$6,670,910 or 4.4% more than last year. Construction in progress decreased \$24 million, buildings increased \$26.7 million and machinery and equipment increased \$1.1 million primarily because the new community center was placed in service.

Increases in other capital asset categories relate to various additions to assets totaling \$12.2m exceeding depreciation expense of \$5.5. Infrastructure increased \$3.1 million primarily due to the completion of the Adie Road project. Construction in progress at the end of 2017 of \$7.6 million included \$5.2 million of expenditures for a new hiking/biking trail.

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Land and improvements	\$ 12,285,355	12,299,105
Buildings	42,656,232	15,970,659
Machinery and equipment	1,901,145	903,750
Software	41,901	59,941
Automobiles and trucks	1,865,824	1,942,816
Infrastructure	93,083,364	89,978,780
Construction in progress	<u>7,566,561</u>	<u>31,574,421</u>
Total	<u>\$159,400,382</u>	<u>152,729,472</u>

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the 2017 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 35 through 36 of this report.

#### Long-term Debt

At the end of 2017, the City had total long-term debt obligations (net of unamortized discount and premium) for governmental activities in the amount of \$18,088,177 compared to \$22,628,288 at the end of 2016. None of the debt outstanding represents general obligation bonds.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2017

	<b>For The Years</b>		<b>Percentage</b>
	<b>Ended December 31</b>		
	<b>2017</b>	<b>2016</b>	<b>Change</b>
<b>Governmental activities</b>			
Community Center COPs	\$13,883,327	14,498,738	(8.1%)
South Heights TIF District bonds	<u>4,204,850</u>	<u>8,129,550</u>	(60.1)
Total	<u>\$18,088,177</u>	<u>22,628,288</u>	(29.5%)

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 2017 a total of \$3,945,000 less bond discounts of \$20,300 were retired. The resulting balance of bonds less unamortized discount was \$4,204,850.

During 2017 a total of \$610,000 plus certificates of participation premium of \$5,411 were retired. The resulting balance of certificates of participation plus unamortized premium was \$13,883,327.

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 2017 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 2018 annual budget projects total expenditures of \$44,932,959, including capital investments of \$7.6 million.
- In late 2017 a new half-cent sales tax to fund public safety was imposed by St. Louis County. A portion of the proceeds of the tax are shared with municipalities. The City's share is estimated to be about \$1.4 million annually.
- The accumulation of unassigned fund balance and will allow the City to maintain service levels without tax increases for the foreseeable future.
- The City's capital improvement plan for 2018 to 2022 projects investment in infrastructure improvements, major equipment, and facilities of about \$24 million. The City has a funding plan to provide resources on a pay-as-you go basis for infrastructure.
- The City has committed to contribute to the construction and annual services contract for a new indoor/outdoor ice arena proposed by the St. Louis Legacy Ice Foundation, a not-for-profit corporation. The financing of the \$70 million project is expected to include the issuance of debt by the City to be paid from operating net income of the facility. The City's initial investment will be provided from the Capital Improvement Fund.
- 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

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

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

**For The Year Ended December 31, 2017**

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 lost market share. This trend appears to have leveled as 2017 gaming revenues had a slight decrease of 0.2% from 2016 and 2016 gaming tax revenue increased 2.5% from 2015 which had increased 4.7% from 2014.

### **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, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 46,479,617
Receivables	9,846,085
Prepaid items	429,398
Restricted assets - cash and investments	135
Net OPEB asset	203,930
Capital assets not being depreciated:	
Land	7,731,270
Infrastructure	35,338,136
Construction in progress	7,566,561
Capital assets, net of accumulated depreciation:	
Buildings	42,656,232
Other improvements	4,554,085
Machinery and equipment	1,901,145
Software	41,901
Automobiles and trucks	1,865,824
Infrastructure	57,745,228
Total Assets	216,359,547
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	3,138,108
 <b>LIABILITIES</b>	
Accounts payable	1,649,369
Accrued interest	188,083
Accrued payroll	542,503
Unearned revenue	217,739
Noncurrent liabilities:	
Due within one year	5,821,500
Due in more than one year	13,662,713
Due in more than one year - net pension liability	354,014
Total Liabilities	22,435,921
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred amounts related to pensions	1,714,347
 <b>NET POSITION</b>	
Net investment in capital assets	145,517,057
Restricted for:	
Debt service	15,501
Storm water	603,719
Tax increment funds	2,414,803
Other purposes	781,331
Unrestricted	46,014,976
Total Net Position	\$ 195,347,387

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>			<b>Net Revenues (Expenses)</b>	
	<b>Expenses</b>	<b>Charges For Services</b>	<b>Operating Grants And Contributions</b>	<b>Capital Grants And Contributions</b>	<b>And Change In Net Position Governmental Activities</b>
<b>Governmental Activities</b>					
Legislative	\$ 160,774	-	-	-	(160,774)
General administration	2,685,671	-	-	-	(2,685,671)
Finance and accounting	1,349,977	-	-	-	(1,349,977)
Community development	2,278,066	1,215,386	-	-	(1,062,680)
Public works	10,140,858	363,857	2,030,226	5,319,463	(2,427,312)
Police services	10,760,469	1,539,143	171,036	-	(9,050,290)
Judicial	324,429	91,623	-	-	(232,806)
Parks and recreation	5,757,671	1,511,650	-	161,834	(4,084,187)
Human services	210,219	-	-	-	(210,219)
Interest and fiscal charges on long-term debt	825,972	-	-	-	(825,972)
Total Governmental Activities	\$ 34,494,106	4,721,659	2,201,262	5,481,297	(22,089,888)
<b>General Revenues</b>					
Gaming tax					10,388,263
Sales tax					9,872,492
Utility tax					6,116,132
Property tax from tax increment financing					3,150,603
Hotel/motel tax					339,475
Cigarette tax					67,627
Business license tax					615,999
Cable franchise tax					348,185
Investment earnings					529,029
Gain on sale of capital assets					81,027
Other					243,851
Total General Revenues					31,752,683
<b>CHANGE IN NET POSITION</b>					9,662,795
NET POSITION, JANUARY 1					185,684,592
NET POSITION, DECEMBER 31					\$ 195,347,387

See notes to financial statements

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2017**

	<u>Major Funds</u>			<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Special Park</u>	<u>Capital Improvements</u>		
<b>ASSETS</b>					
Cash and investments	\$ 24,694,756	5,587,407	11,642,548	4,554,906	46,479,617
Cash and investments - restricted	-	-	-	135	135
Accounts receivable:					
Municipal taxes	3,461,107	639,940	562,418	1,857,038	6,520,503
Licenses, permits, fines, and fees	564,367	-	-	-	564,367
Intergovernmental	-	3,242	-	-	3,242
Accrued interest	95,742	-	-	-	95,742
Due from others	-	-	2,662,231	-	2,662,231
Prepaid items	429,398	-	-	-	429,398
Due from other funds	21,366	-	-	-	21,366
	<u>21,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,366</u>
Total Assets	<u>\$ 29,266,736</u>	<u>6,230,589</u>	<u>14,867,197</u>	<u>6,412,079</u>	<u>56,776,601</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 367,482	114,182	875,681	292,024	1,649,369
Accrued payroll	501,197	38,093	3,213	-	542,503
Due to other funds	-	-	-	21,366	21,366
Unearned revenue	16,747	199,317	-	1,675	217,739
	<u>16,747</u>	<u>199,317</u>	<u>-</u>	<u>1,675</u>	<u>217,739</u>
Total Liabilities	<u>885,426</u>	<u>351,592</u>	<u>878,894</u>	<u>315,065</u>	<u>2,430,977</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	1,626,588	300,013	-	89,897	2,016,498
	<u>1,626,588</u>	<u>300,013</u>	<u>-</u>	<u>89,897</u>	<u>2,016,498</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	429,398	-	-	-	429,398
Restricted for:					
Debt service	-	-	-	15,501	15,501
Police forfeitures	-	-	-	146,581	146,581
Storm water	-	-	603,719	-	603,719
Sewer lateral	-	-	-	508,521	508,521
Police training	-	-	-	36,114	36,114
Beautification	-	-	-	35,641	35,641
Tax increment funds	-	-	-	2,393,476	2,393,476
Tourism tax	-	-	-	54,474	54,474
Committed for:					
Parks	-	5,578,984	-	-	5,578,984
Capital improvements	-	-	13,384,584	897,927	14,282,511
Streetlighting	-	-	-	1,918,882	1,918,882
Purchases on order	49,230	-	-	-	49,230
Assigned for:					
Purchases on order	19,107	-	-	-	19,107
Unassigned	26,256,987	-	-	-	26,256,987
	<u>26,256,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,256,987</u>
Total Fund Balances	<u>26,754,722</u>	<u>5,578,984</u>	<u>13,988,303</u>	<u>6,007,117</u>	<u>52,329,126</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 29,266,736</u>	<u>6,230,589</u>	<u>14,867,197</u>	<u>6,412,079</u>	<u>56,776,601</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

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Total Fund Balances - Total Governmental Funds	\$ 52,329,126
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 \$232,600,171 and the accumulated depreciation is \$73,199,789	159,400,382
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.	2,016,498
Certain items are not financial resources and, therefore, are not reported in the governmental funds. These items consist of:	
Net pension liability	(354,014)
Deferred outflows related to pensions	3,138,108
Deferred inflows related to pensions	(1,714,347)
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	(18,005,000)
Bond discount	10,150
Certificates of participation premium	(93,327)
Interest on long-term debt is recognized as an expenditure when due in the governmental funds.	(188,083)
Compensated absences are not reported in the governmental funds.	<u>(1,396,036)</u>
Total Net Position Of Governmental Activities	<u><u>\$ 195,347,387</u></u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General	Special Park	Capital Improvements		
<b>REVENUES</b>					
Municipal taxes	\$ 19,550,902	4,439,567	3,116,479	4,697,878	31,804,826
Licenses, permits, fines, and fees	3,552,361	-	-	-	3,552,361
Charges for services	-	1,511,650	-	-	1,511,650
Intergovernmental	423,744	161,834	5,318,638	49,196	5,953,412
Investment income	514,589	-	-	14,440	529,029
Other	184,346	789	825	-	185,960
Total Revenues	<u>24,225,942</u>	<u>6,113,840</u>	<u>8,435,942</u>	<u>4,761,514</u>	<u>43,537,238</u>
<b>EXPENDITURES</b>					
Current:					
Legislative	160,774	-	-	-	160,774
General administration	2,048,444	-	-	3,078	2,051,522
Finance and accounting	1,315,863	-	-	-	1,315,863
Community development	1,721,914	-	-	554,306	2,276,220
Public works	4,970,841	-	-	695,174	5,666,015
Police services	10,441,582	-	-	150,979	10,592,561
Judicial	328,478	-	-	-	328,478
Parks and recreation	630,229	3,880,385	-	-	4,510,614
Human services	210,557	-	-	-	210,557
Capital outlay	414,264	335,787	8,264,679	4,261,741	13,276,471
Debt service:					
Principal	-	-	-	4,555,000	4,555,000
Interest	-	-	-	891,158	891,158
Total Expenditures	<u>22,242,946</u>	<u>4,216,172</u>	<u>8,264,679</u>	<u>11,111,436</u>	<u>45,835,233</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,982,996</u>	<u>1,897,668</u>	<u>171,263</u>	<u>(6,349,922)</u>	<u>(2,297,995)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	100,000	-	5,000,000	985,000	6,085,000
Transfers out	(5,000,000)	(1,085,000)	-	-	(6,085,000)
Insurance proceeds	21,335	22,918	-	-	44,253
Sale of capital assets	96,383	34,967	-	-	131,350
Total Other Financing Sources (Uses)	<u>(4,782,282)</u>	<u>(1,027,115)</u>	<u>5,000,000</u>	<u>985,000</u>	<u>175,603</u>
<b>NET CHANGE IN FUND BALANCES</b>	(2,799,286)	870,553	5,171,263	(5,364,922)	(2,122,392)
FUND BALANCES, JANUARY 1	<u>29,554,008</u>	<u>4,708,431</u>	<u>8,817,040</u>	<u>11,372,039</u>	<u>54,451,518</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 26,754,722</u>	<u>5,578,984</u>	<u>13,988,303</u>	<u>6,007,117</u>	<u>52,329,126</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

Net Change In Fund Balances - Governmental Funds		\$ (2,122,392)
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 (\$12,227,116) exceeded depreciation (\$5,508,203) in the current period.		6,718,913
The net effect of various transactions involving capital assets:		
Cost of disposals, net of accumulated depreciation		(48,003)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:		
Increase in unavailable revenue		492,061
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	4,555,000	
Amortization of debt discount	(20,300)	
Amortization of debt premium	5,411	
Net Adjustment	4,540,111	4,540,111
Compensated absences reported on the statement of activities differs from the amount reported in the governmental funds because the short-term liability is recorded as an expenditure in the funds at year-end, whereas the long-term portion does not require the use of current financial resources:		
Increase in accrued compensated absences		(18,748)
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		80,075
Pension expense		20,778
Change In Net Position Of Governmental Activities		\$ 9,662,795

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**DECEMBER 31, 2017**

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	<b>Agency Fund</b>	<b>Other Post- employment Benefit Trust Fund</b>
<b>ASSETS</b>		
Cash	\$ 1,060,483	-
Investments - pooled balanced funds	-	3,806,645
Total Assets	1,060,483	3,806,645
<b>LIABILITIES</b>		
Accounts payable	11,575	-
Deposits held for others	1,048,908	-
Total Liabilities	1,060,483	-
<b>NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS</b>	\$ -	3,806,645

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY**  
**NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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	<b>Other Post- employment Benefit Trust Fund</b>
<b>ADDITIONS</b>	
Investment income	<u>\$ 488,834</u>
<b>DEDUCTIONS</b>	
Benefit payments	29,301
Administrative expenses	<u>3,496</u>
Total Deductions	<u>32,797</u>
<b>CHANGE IN NET POSITION</b>	456,037
<b>NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS, JANUARY 1</b>	<u>3,350,608</u>
<b>NET POSITION HELD IN TRUST FOR RETIREE HEALTH BENEFITS, DECEMBER 31</b>	<u><u>\$ 3,806,645</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 parks and storm water sales tax approved by voters in 1996. Expenditures are restricted for parks, storm water, and related facilities.

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

Additionally, the City reports the following fund types:

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

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

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

**4. Investments**

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

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

**5. Restricted Assets**

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

**6. Capital Assets**

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

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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

**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)**

the initial reporting of those assets through back trending. A percentage of the historical costs allocated to account for the nondepreciable components of the road system (land, clearing, deforestation, blasting, etc.).

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

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 is reported net of the applicable bond premium or discount.

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

**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, Capital Improvements, and Nonmajor Special Revenue Funds amounted to \$68,337, \$2,245,643, and \$72,758 respectively, at December 31, 2017.

**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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. LAGERS' investments are reported at fair value.

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

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

As of December 31, 2017, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

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

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

**2. Investments**

As of December 31, 2017, the City had the following investments:

<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	\$10,448,715	-	7,485,455	2,963,260	-	AA
Federal Farm Credit Bank	1,981,670	-	1,981,670	-	-	AA
Federal Home Loan Mortgage Corporation	10,072,489	-	997,380	9,075,109	-	AA
Federal National Mortgage Association	6,843,957	-	2,992,155	3,851,802	-	AA
Total Federal Agency Notes	29,346,831	-	13,456,660	15,890,171	-	
Repurchase agreement	7,192,000	-	7,192,000	-	-	AA
Certificate of deposit	11,459,000	-	5,810,000	5,649,000	-	N/A
Money market	113,798	113,798	-	-	-	AA
MOSIP	1,102,737	1,102,737	-	-	-	AAA
Total Primary Government	49,214,366	1,216,535	26,458,660	21,539,171	-	
<b>Fiduciary Funds</b>						
Mutual Funds:						
Domestic equity	1,598,791	1,598,791	-	-	-	N/A
International equity	570,997	570,997	-	-	-	N/A
Domestic fixed income	1,408,459	1,408,459	-	-	-	N/A
International fixed income	228,398	228,398	-	-	-	N/A
Total Fiduciary Funds	3,806,645	3,806,645	-	-	-	
Grand Total Investments	\$53,021,011	5,023,180	26,458,660	21,539,171	-	

**Investment Policies**

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

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

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

**2. Investments (Continued)**

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

**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, 2017, the City had the following investment concentrations.

<u>Investments</u>	<u>Fair Value</u>	<u>Percent Of Total Investments</u>
Certificates of deposit - certain		
banks greater than 5%	\$ 11,459,000	21.6%
Federal Home Loan Bank	10,448,716	19.7
Federal Home Loan Mortgage Corporation	10,072,489	19.0
Repurchase agreement	7,192,000	13.6
Federal National Mortgage Association	6,843,957	12.9

**Investment in Investment Pool**

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

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

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

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

**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 input, 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.

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value investments based on the relationship to benchmark quoted prices. The City has the following recurring fair value measurements:

		<b>December 31, 2017</b>		
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Investments by fair value level:				
MOSIP	\$ 1,102,737	-	1,102,737	-
Government securities:				
Federal Farm Credit Bank	1,981,670	-	1,981,670	-
Federal Home Loan Bank	10,448,715	-	10,448,715	-
Federal Home Loan Mortgage Corporation	10,072,489	-	10,072,489	-
Federal National Mortgage Association	6,843,957	-	6,843,957	-
Mutual Funds:				
Domestic equity	1,598,791	1,598,791	-	-
International equity	570,997	570,997	-	-
Domestic fixed income	1,408,459	-	1,408,459	-
International fixed income	228,398	-	228,398	-
	<u>34,256,213</u>	<u>2,169,788</u>	<u>32,086,425</u>	<u>-</u>
Investments not subject to fair value level classification:				
Certificates of deposit	11,459,000			
Money market funds	113,798			
Repurchase agreement	7,192,000			
	<u>18,764,798</u>			
Total Primary Government Investments	<u>\$ 53,021,011</u>			

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

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	<b>For The Year Ended December 31, 2017</b>			
	<b>Balance</b>			<b>Balance</b>
	<b>December 31</b>	<b>Increases</b>	<b>Decreases</b>	<b>December 31</b>
	<b>2016</b>			<b>2017</b>
Capital assets not being depreciated:				
Land	\$ 7,731,270	-	-	7,731,270
Right-of-way	21,987,110	365,299	-	22,352,409
Nondepreciable components of streets	12,442,954	542,773	-	12,985,727
Construction in progress	31,574,421	6,631,346	30,639,206	7,566,561
Total Capital Assets Not Being Depreciated	<u>73,735,755</u>	<u>7,539,418</u>	<u>30,639,206</u>	<u>50,635,967</u>
Capital assets being depreciated:				
Buildings	20,933,621	27,730,413	-	48,664,034
Other improvements	13,854,323	686,197	-	14,540,520
Machinery and equipment	4,054,206	1,435,573	228,257	5,261,522
Software	152,006	-	22,034	129,972
Automobiles and trucks	4,187,386	340,591	289,941	4,238,036
Infrastructure	103,995,990	5,134,130	-	109,130,120
Total Capital Assets Being Depreciated	<u>147,177,532</u>	<u>35,326,904</u>	<u>540,232</u>	<u>181,964,204</u>
Less - Accumulated depreciation for:				
Buildings	4,962,962	1,044,840	-	6,007,802
Other improvements	9,286,487	699,948	-	9,986,435
Machinery and equipment	3,150,456	432,124	222,203	3,360,377
Software	92,065	11,790	15,784	88,071
Automobiles and trucks	2,244,570	381,884	254,242	2,372,212
Infrastructure	48,447,275	2,937,617	-	51,384,892
Total Accumulated Depre- ciation	<u>68,183,815</u>	<u>5,508,203</u>	<u>492,229</u>	<u>73,199,789</u>
Total Capital Assets Being Depreciated, Net	<u>78,993,717</u>	<u>29,818,701</u>	<u>48,003</u>	<u>108,764,415</u>
Total Capital Assets, Net	<u>\$ 152,729,472</u>	<u>37,358,119</u>	<u>30,687,209</u>	<u>159,400,382</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 2017</b>
General administration	\$ 626,979
Finance and accounting	40,965
Community development	10,115
Public works	3,350,888
Police services	186,331
Parks and recreation	1,292,925
Total	\$ 5,508,203

**NOTE D - INTERFUND BALANCES**

During the normal course of business, the City has numerous transactions between funds. The outstanding balances at December 31, 2017 is to eliminate a negative cash balance within a fund. The following is a reconciliation of internal receivables and payables:

	<b>December 31, 2017</b>	
	<b>Receivable Fund</b>	<b>Payable Fund</b>
General Fund	\$ 21,366	-
Nonmajor funds	-	21,366
Total	\$ 21,366	21,366

**NOTE E - INTERFUND TRANSACTIONS**

Individual interfund transactions are as follows:

	<b>Transfers in</b>			<b>Total</b>
	<b>General Fund</b>	<b>Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	
Transfers out:				
General Fund	\$ -	5,000,000	-	5,000,000
Special Park Fund	100,000	-	985,000	1,085,000
Total	\$ 100,000	5,000,000	985,000	6,085,000

**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, 2017</b>			<b>Amounts Due Within One Year</b>	
	<b>Balance</b>	<b>Additions</b>	<b>Reductions</b>		<b>Balance</b>
	<b>December 31 2016</b>				<b>December 31 2017</b>
Certificates of Participation					
Series 2015	\$ 14,400,000	-	610,000	13,790,000	625,000
Tax Increment Bonds,					
Series 2007A	3,005,000	-	3,005,000	-	-
Tax Increment Bonds,					
Series 2007B	5,155,000	-	940,000	4,215,000	4,215,000
Certificates of Participation					
Premium	98,738	-	5,411	93,327	-
Bond discount	(30,450)	-	(20,300)	(10,150)	-
Compensated absences payable	1,377,288	1,000,248	981,500	1,396,036	981,500
Total	<u>\$ 24,005,576</u>	<u>1,000,248</u>	<u>5,521,611</u>	<u>19,484,213</u>	<u>5,821,500</u>

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:

<u>For The Years Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 625,000	352,682	977,682
2019	635,000	340,082	975,082
2020	650,000	327,232	977,232
2021	665,000	314,082	979,082
2022	675,000	300,682	975,682
2023 - 2027	3,615,000	1,270,561	4,885,561
2028 - 2032	4,130,000	753,231	4,883,231
2033 - 2035	2,795,000	133,221	2,928,221
Total	<u>\$ 13,790,000</u>	<u>3,791,773</u>	<u>17,581,773</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. Final payment on these bonds was made during 2017.
- 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 the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with RSMo 70.600-70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS' Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by accessing the LAGERS website at [www.molagers.org](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.

**2017 Valuation**

Benefit multiplier	2%
Final average salary	5 years
Member contributions	Noncontributory for employees

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

*Employees Covered By Benefit Terms*

At June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	32
Active employees	<u>182</u>
Total	<u>264</u>

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

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

*Contributions*

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 12.5% (General) and 14.3% (Police) of annual covered payroll.

*Net Pension Liability (Asset)*

The City's net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2017.

*Actuarial Assumptions*

The total pension liability in the February 28, 2017 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 6.55% 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 actuarial assumptions used in the February 28, 2017 valuation were based on the results of an actuarial experience study for the period of 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

<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	2.93
Real assets	21.00	3.31
Strategic assets	10.00	5.73

***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)**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a)-(b)</b>
<b>Balances at June 30, 2016</b>	\$ 36,178,012	32,687,098	3,490,914
<b>Changes for the year</b>			
Service cost	1,494,988	-	1,494,988
Interest	2,617,949	-	2,617,949
Difference between expected and actual experience	(483,015)	-	(483,015)
Contributions - employer	-	1,700,243	(1,700,243)
Net investment income	-	4,103,673	(4,103,673)
Assumption changes	(508,187)	-	(508,187)
Benefit payments, including refunds	(697,630)	(697,630)	-
Administrative expense	-	(22,002)	22,002
Other changes	-	476,721	(476,721)
Net Changes	<u>2,424,105</u>	<u>5,561,005</u>	<u>(3,136,900)</u>
<b>Balances at June 30, 2017</b>	<u>\$ 38,602,117</u>	<u>38,248,103</u>	<u>354,014</u>

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

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

*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.

	<b>1% Decrease</b>	<b>Current Single Discount Rate Assumption</b>	<b>1% Increase</b>
Net pension liability (asset)	\$ 6,514,043	354,014	(4,730,925)

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

For the year ended December 31, 2017, the City recognized pension expense of \$1,671,213. Reported deferred outflows and inflows of resources are related to pensions from the following sources:

	<b>Outflows</b>	<b>Inflows</b>	<b>Net Outflows</b>
Difference in experience	\$ 35,988	(1,278,970)	(1,242,982)
Assumption changes	1,492,145	(435,377)	1,056,768
Excess (deficit) investment returns	756,364	-	756,364
Contributions subsequent to the measurement date*	853,611	-	853,611
Total	\$ 3,138,108	(1,714,347)	1,423,761

\*The amount reported as deferred outflows or resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability 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:

<b>For The Plan Years Ending June 30</b>			
2017		\$	434,714
2018			434,715
2019			118,683
2020			(371,276)
2021			(34,047)
Thereafter			(12,639)
Total		\$	570,150

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

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

**1. Plan Description**

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

**2. Annual OPEB Cost and Net OPEB Obligations**

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

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

ARC (credit)	(\$ 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

**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)**

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

**4. Actuarial Methods and Assumptions**

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

In the January 1, 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 2017.

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

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**NOTE J - DEFERRED COMPENSATION PLAN**

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

**NOTE K - RISK MANAGEMENT**

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

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

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

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

**NOTE L - PLEDGED REVENUES**

The City has pledged a portion of future property and sales tax revenues to repay \$19,640,000 in tax increment revenue bonds issued in December 2007 to finance the South Heights Redevelopment Project. The bonds are payable solely from the incremental property and sales tax revenue generated by increased property values and retail sales in the redevelopment area. Incremental tax revenues were projected to produce 100% of the debt service requirements over the life of the bonds. Total projected principal and interest remaining on the bonds is \$4,300,050, payable through 2018. For the current year \$4,471,125 of principal and interest was paid on the bonds and total incremental tax revenues were \$2,772,769.

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

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**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.

The City has established separate special revenue funds to account for each TIF. In 2017, 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	\$ 135,113
Dorsett Road	-
Westport Plaza	5,310

**NOTE N - CAPITAL IMPROVEMENTS 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. As of December 31, 2017, the Capital Improvement Fund's fund balance was as follows:

Capital Improvement Fund	\$ 13,384,584
Storm Water Fund	<u>603,719</u>
Total	<u>\$ 13,988,303</u>

**NOTE O - COMMITMENTS AND CONTINGENCIES**

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

The City had \$25,700,000 of tax increment revenue notes authorized but unissued. These tax increment revenue notes will provide funds to finance certain redevelopment project costs relating to a tax increment redevelopment plan for the Westport Plaza redevelopment area.

The City has committed \$5,000,000 for construction and related infrastructure for a new indoor/outdoor ice arena.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

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### NOTE P - FUTURE ACCOUNTING PRONOUNCEMENTS

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

- GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits other than Pensions*. This Statement established standards for defined benefit OPEB plans for identifying the methods and assumptions that are required to be used to project benefit payments at their actuarial present value. This Statement is effective for financial statements for periods beginning after June 15, 2017.
- GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.
- GASB Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

### NOTE Q - RESTRICTED NET POSITION

The government-wide statement of net position reports \$3,815,354 of restricted net position, of which \$3,799,853 is restricted by enabling legislation.

**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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
<b>Municipal Taxes</b>				
Gaming	\$ 7,140,000	7,300,000	7,271,784	(28,216)
Utilities gross receipts	5,490,000	5,440,000	5,356,819	(83,181)
Sales tax	4,300,000	4,300,000	4,832,349	532,349
Cigarette	70,000	70,000	67,962	(2,038)
Gasoline and motor vehicle tax	1,070,000	1,070,000	1,110,946	40,946
County road refund	950,000	950,000	911,042	(38,958)
Total Municipal Taxes	<u>19,020,000</u>	<u>19,130,000</u>	<u>19,550,902</u>	<u>420,902</u>
<b>Licenses, Permits, Fines, and Fees</b>				
Court fines and fees	1,500,000	1,200,000	1,339,620	139,620
Merchant licenses	630,000	630,000	605,584	(24,416)
Charges for services	870,000	850,000	1,258,972	408,972
Cable TV franchise	400,000	400,000	348,185	(51,815)
Total Licenses, Permits, Fines, And Fees	<u>3,400,000</u>	<u>3,080,000</u>	<u>3,552,361</u>	<u>472,361</u>
<b>Intergovernmental</b>	<u>380,600</u>	<u>380,600</u>	<u>423,744</u>	<u>43,144</u>
<b>Investment Income</b>	<u>300,000</u>	<u>400,000</u>	<u>508,915</u>	<u>108,915</u>
<b>Other</b>				
Miscellaneous	110,000	160,000	199,432	39,432
Total Revenues	<u>23,210,600</u>	<u>23,150,600</u>	<u>24,235,354</u>	<u>1,084,754</u>
<b>EXPENDITURES</b>				
<b>Legislative</b>				
Mayor's office	23,111	25,111	21,629	(3,482)
City council	133,443	141,443	139,145	(2,298)
Total Legislative	<u>156,554</u>	<u>166,554</u>	<u>160,774</u>	<u>(5,780)</u>
<b>General Administration</b>				
City clerk	366,724	356,724	353,582	(3,142)
Legal services	205,217	310,137	309,922	(215)
City administrator's office	382,887	361,887	357,040	(4,847)
Human resources	310,050	366,050	365,718	(332)

**(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, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>General Administration (Continued)</b>				
Communications	194,760	194,760	184,893	(9,867)
Central services	96,675	76,675	73,212	(3,463)
Risk management	375,000	405,000	404,077	(923)
Total General Administration	<u>1,931,313</u>	<u>2,071,233</u>	<u>2,048,444</u>	<u>(22,789)</u>
<b>Finance and Accounting</b>				
Finance	449,940	447,940	444,137	(3,803)
Geographic information services	171,309	171,309	163,884	(7,425)
Information technology	879,498	879,498	756,632	(122,866)
Total Finance And Accounting	<u>1,500,747</u>	<u>1,498,747</u>	<u>1,364,653</u>	<u>(134,094)</u>
<b>Community Development</b>				
Community development administration	284,420	242,420	232,956	(9,464)
Inspections	1,202,119	1,202,119	1,171,266	(30,853)
Economic development	134,521	54,521	47,886	(6,635)
Planning and zoning	326,855	336,855	314,328	(22,527)
Total Community Development	<u>1,947,915</u>	<u>1,835,915</u>	<u>1,766,436</u>	<u>(69,479)</u>
<b>Public Works</b>				
Administration and engineering	497,715	457,715	411,725	(45,990)
Roads and bridges	1,866,805	1,866,805	1,758,761	(108,044)
Trash hauling	1,913,356	1,913,356	1,907,622	(5,734)
Vehicle and equipment maintenance	505,595	505,595	492,693	(12,902)
Storm water	579,786	579,786	570,900	(8,886)
Total Public Works	<u>5,363,257</u>	<u>5,323,257</u>	<u>5,141,701</u>	<u>(181,556)</u>
<b>Police Services</b>				
Police administration	370,638	370,638	363,986	(6,652)
Patrol	5,533,449	5,483,449	5,394,817	(88,632)
Investigations	1,581,092	1,581,092	1,538,751	(42,341)
Communications	1,034,202	1,111,702	1,057,415	(54,287)
Community services	965,512	965,512	926,995	(38,517)
Community response unit	1,317,502	1,267,502	1,167,560	(99,942)
Police records	197,418	197,418	165,410	(32,008)
Total Police Services	<u>10,999,813</u>	<u>10,977,313</u>	<u>10,614,934</u>	<u>(362,379)</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, 2017**

	<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	402,238	329,318	328,478	(840)
<b>Parks and Recreation</b>				
Government center maintenance	673,806	673,806	630,029	(43,777)
<b>Human Services</b>				
Total Expenditures	225,000	225,000	210,557	(14,443)
	23,200,643	23,101,143	22,266,006	(835,137)
<b>REVENUES OVER EXPENDITURES</b>	9,957	49,457	1,969,348	1,919,891
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	100,000	100,000	100,000	-
Transfers out	-	(5,000,000)	(5,000,000)	-
Insurance reimbursements	-	-	21,335	21,335
Sale of capital assets	-	-	96,383	96,383
Total Other Financing Sources (Uses)	100,000	(4,900,000)	(4,782,282)	117,718
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 109,957</b>	<b>(4,850,543)</b>	<b>(2,812,934)</b>	<b>2,037,609</b>
FUND BALANCE, JANUARY 1			29,702,024	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 26,889,090</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, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
<b>Municipal Taxes</b>				
Sales	\$ 4,300,000	4,300,000	4,439,567	139,567
<b>Charges for services</b>	1,958,500	1,706,000	1,509,206	(196,794)
<b>Intergovernmental</b>	-	230,000	161,834	(68,166)
<b>Other</b>	-	-	13,432	13,432
Total Revenues	6,258,500	6,236,000	6,124,039	(111,961)
<b>EXPENDITURES</b>				
<b>Parks and Recreation</b>				
Park administration	234,107	251,107	250,119	(988)
Recreation	2,450,954	2,240,454	1,661,959	(578,495)
Community Center Maintenance	863,349	863,349	598,371	(264,978)
Aquaport	566,690	566,690	523,924	(42,766)
Park maintenance	860,283	860,283	803,610	(56,673)
Park capital project	100,000	106,000	5,521	(100,479)
Total Expenditures	5,075,383	4,887,883	3,843,504	(1,044,379)
<b>REVENUES OVER EXPENDITURES</b>	1,183,117	1,348,117	2,280,535	932,418
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,085,000)	(1,085,000)	(1,085,000)	-
Insurance recoveries	-	-	22,918	(22,918)
Sale of capital assets	-	-	34,967	34,967
Total Other Financing Sources (Uses)	(1,085,000)	(1,085,000)	(1,027,115)	57,885
<b>NET CHANGE IN FUND BALANCE</b>	\$ 98,117	263,117	1,253,420	990,303
<b>FUND BALANCE, JANUARY 1</b>			4,325,564	
<b>FUND BALANCE, DECEMBER 31</b>			\$ 5,578,984	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**BUDGETARY BASIS OF ACCOUNTING**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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>Nonmajor</b>
Fund balances:					
GAAP basis		\$ 26,754,722	5,578,984	13,988,303	6,007,117
Encumbrances outstanding at:					
December 31, 2017		(68,337)	-	(2,245,643)	(72,758)
Investments, FMV adjustment		202,705	-	-	-
Budget Basis		<u>26,889,090</u>	<u>5,578,984</u>	<u>11,742,660</u>	<u>5,934,359</u>
Net change in fund balances:					
GAAP basis		(2,799,286)	870,553	5,171,263	(5,364,922)
Encumbrances outstanding at:					
December 31, 2016		60,363	382,867	679,678	4,268,293
December 31, 2017		(68,337)	-	(2,245,643)	(72,758)
Investment, FMV adjustment		(5,674)	-	-	-
Budget Basis		<u>\$ (2,812,934)</u>	<u>1,253,420</u>	<u>3,605,298</u>	<u>(1,169,387)</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**BUDGETARY DATA**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

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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**

	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Total Pension Liability</b>			
Service cost	\$ 1,494,988	1,456,520	1,483,439
Interest on total pension liability	2,617,949	2,273,295	2,138,745
Difference between expected and actual experience	(483,015)	19,656	(1,325,737)
Assumption changes	(508,187)	2,020,765	-
Benefit payments, including refunds	(697,630)	(456,978)	(398,782)
Net Change In Total Pension Liability	2,424,105	5,313,258	1,897,665
Total Pension Liability Beginning	36,178,012	30,864,754	28,967,089
Total Pension Liability Ending (a)	\$ 38,602,117	36,178,012	30,864,754
 <b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 1,700,243	1,698,491	1,766,469
Net investment income	4,103,673	(115,726)	580,792
Benefit payments, including refunds	(697,630)	(456,978)	(398,782)
Administrative expense	(22,002)	(21,209)	(22,744)
Other changes	476,721	(23,276)	1,050,917
Net Change In Plan Fiduciary Net Position	5,561,005	1,081,302	2,976,652
Plan Fiduciary Net Position Beginning	32,687,098	31,605,796	28,629,144
Plan Fiduciary Net Position Ending (b)	\$ 38,248,103	32,687,098	31,605,796
 <b>Net Pension Liability (Asset) Ending (a)-(b)</b>	<b>\$ 354,014</b>	<b>3,490,914</b>	<b>(741,042)</b>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.08 %	90.35	102.40
 Covered Employee Payroll (for February 28/29 Valuation)	\$ 12,495,862	12,799,784	12,721,041
 Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	2.83 %	27.27	(5.83)

Notes:

Information is not available for fiscal years prior to 2015.

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

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

	For The Years Ended June 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined pension contribution	\$ 1,690,831	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
Contributions in relation to the actuarially determined contribution	<u>1,690,831</u>	<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>
Contribution Deficiency	<u>\$ -</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>24,298</u>	<u>(1)</u>	<u>(1)</u>
Covered Employee Payroll	\$ 12,653,345	\$ 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
Contributions as a Percentage of Covered Employee Payroll	13.36 %	12.45	13.75	14.33	14.51	14.79	14.55	14.54	13.55	9.96

Notes to schedule:

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method  
 Amortization method

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

Remaining amortization period  
 Asset valuation method  
 Inflation  
 Salary increases  
 Investment rate of return  
 Retirement age  
 Mortality

Multiple bases from 13 to 21 years  
 5 years smoothed market; 20% corridor  
 3.25% wage inflation; 2.50% price inflation  
 3.25% to 6.55%; including wage inflation  
 7.25%, net of investment expenses  
 Experience-based table of rates that are specific to the type of eligibility condition  
 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:

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.

**CAPITAL PROJECTS 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).

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

**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, 2017**

	<u>Street- light</u>	<u>Tourism Tax</u>	<u>Police Forfeitures</u>	<u>Sewer Lateral</u>	<u>Police Training</u>	<u>Beautifi- cation</u>	<u>South Heights TIF</u>
<b>ASSETS</b>							
Cash and investments	\$ 1,940,907	-	151,353	467,723	36,114	35,641	156,560
Cash and investments - restricted	-	-	-	-	-	-	107
Accounts receivable:							
Municipal taxes	110,778	75,840	-	91,879	-	-	986,637
Total Assets	<u>\$ 2,051,685</u>	<u>75,840</u>	<u>151,353</u>	<u>559,602</u>	<u>36,114</u>	<u>35,641</u>	<u>1,143,304</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 63,917	-	4,772	51,081	-	-	-
Due to other funds	-	21,366	-	-	-	-	-
Unearned revenue	1,675	-	-	-	-	-	-
Total Liabilities	<u>65,592</u>	<u>21,366</u>	<u>4,772</u>	<u>51,081</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	67,211	-	-	-	-	-	21,354
<b>FUND BALANCES</b>							
Restricted for:							
Debt service	-	-	-	-	-	-	107
Police forfeitures	-	-	146,581	-	-	-	-
Sewer lateral	-	-	-	508,521	-	-	-
Police training	-	-	-	-	36,114	-	-
Beautification	-	-	-	-	-	35,641	-
Tax increment funds	-	-	-	-	-	-	1,121,843
Tourism tax	-	54,474	-	-	-	-	-
Committed for:							
Capital improvements	-	-	-	-	-	-	-
Streetlighting	1,918,882	-	-	-	-	-	-
Total Fund Balances	<u>1,918,882</u>	<u>54,474</u>	<u>146,581</u>	<u>508,521</u>	<u>36,114</u>	<u>35,641</u>	<u>1,121,950</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>\$ 2,051,685</u>	<u>75,840</u>	<u>151,353</u>	<u>559,602</u>	<u>36,114</u>	<u>35,641</u>	<u>1,143,304</u>

(Continued)

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - NONMAJOR FUNDS (Continued)**  
**DECEMBER 31, 2017**

	<b>Dorsett TIF</b>	<b>Westport Plaza TIF</b>	<b>Special Revenue Total</b>	<b>Community Center Construction</b>	<b>Community Center Debt Service</b>	<b>Total</b>
<b>ASSETS</b>						
Cash and investments	300,784	380,277	3,469,359	1,069,041	16,506	4,554,906
Cash and investments - restricted	-	-	107	-	28	135
Accounts receivable:						
Municipal taxes	122,159	469,745	1,857,038	-	-	1,857,038
Total Assets	<u>422,943</u>	<u>850,022</u>	<u>5,326,504</u>	<u>1,069,041</u>	<u>16,534</u>	<u>6,412,079</u>
<b>LIABILITIES</b>						
Accounts payable	-	-	119,770	171,114	1,140	292,024
Due to other funds	-	-	21,366	-	-	21,366
Unearned revenue	-	-	1,675	-	-	1,675
Total Liabilities	<u>-</u>	<u>-</u>	<u>142,811</u>	<u>171,114</u>	<u>1,140</u>	<u>315,065</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	1,332	-	89,897	-	-	89,897
<b>FUND BALANCES</b>						
Restricted for:						
Debt service	-	-	107	-	15,394	15,501
Police forfeitures	-	-	146,581	-	-	146,581
Sewer lateral	-	-	508,521	-	-	508,521
Police training	-	-	36,114	-	-	36,114
Beautification	-	-	35,641	-	-	35,641
Tax increment funds	421,611	850,022	2,393,476	-	-	2,393,476
Tourism Tax	-	-	54,474	-	-	54,474
Committed for:						
Capital improvements	-	-	-	897,927	-	897,927
Streetlighting	-	-	1,918,882	-	-	1,918,882
Total Fund Balances	<u>421,611</u>	<u>850,022</u>	<u>5,093,796</u>	<u>897,927</u>	<u>15,394</u>	<u>6,007,117</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	<u>422,943</u>	<u>850,022</u>	<u>5,326,504</u>	<u>1,069,041</u>	<u>16,534</u>	<u>6,412,079</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, 2017**

	<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>South Heights TIF</b>
<b>REVENUES</b>							
Municipal taxes	\$ 535,681	339,475	-	363,857	-	10,415	2,772,769
Intergovernmental	-	-	42,642	-	6,554	-	-
Investment income	-	-	2,514	-	-	-	11,868
Total Revenues	<u>535,681</u>	<u>339,475</u>	<u>45,156</u>	<u>363,857</u>	<u>6,554</u>	<u>10,415</u>	<u>2,784,637</u>
<b>EXPENDITURES</b>							
Current:							
General administration	-	-	-	-	-	-	-
Community development	-	316,937	-	-	-	3,948	60,530
Public works	457,172	-	-	238,002	-	-	-
Police services	-	-	143,047	-	7,932	-	-
Capital outlay	25,710	-	21,176	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	3,945,000
Interest	-	-	-	-	-	-	526,125
Total Expenditures	<u>482,882</u>	<u>316,937</u>	<u>164,223</u>	<u>238,002</u>	<u>7,932</u>	<u>3,948</u>	<u>4,531,655</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>52,799</u>	<u>22,538</u>	<u>(119,067)</u>	<u>125,855</u>	<u>(1,378)</u>	<u>6,467</u>	<u>(1,747,018)</u>
<b>OTHER FINANCING SOURCES</b>							
Transfers in	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	52,799	22,538	(119,067)	125,855	(1,378)	6,467	(1,747,018)
FUND BALANCES, JANUARY 1	<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>	<u>2,868,968</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 1,918,882</u>	<u>54,474</u>	<u>146,581</u>	<u>508,521</u>	<u>36,114</u>	<u>35,641</u>	<u>1,121,950</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, 2017**

	<b>Dorsett TIF</b>	<b>Westport Plaza Tif</b>	<b>Special Revenue Total</b>	<b>Community Center Construction</b>	<b>Community Center Debt Service</b>	<b>Total</b>
<b>REVENUES</b>						
Municipal taxes	204,811	470,870	4,697,878	-	-	4,697,878
Intergovernmental	-	-	49,196	-	-	49,196
Investment income	-	-	14,382	-	58	14,440
Total Revenues	<u>204,811</u>	<u>470,870</u>	<u>4,761,456</u>	<u>-</u>	<u>58</u>	<u>4,761,514</u>
<b>EXPENDITURES</b>						
Current:						
General administration	-	-	-	-	3,078	3,078
Community development	172,891	-	554,306	-	-	554,306
Public works	-	-	695,174	-	-	695,174
Police services	-	-	150,979	-	-	150,979
Capital outlay	-	-	46,886	4,214,855	-	4,261,741
Debt service:						
Principal	-	-	3,945,000	-	610,000	4,555,000
Interest	-	-	526,125	-	365,033	891,158
Total Expenditures	<u>172,891</u>	<u>-</u>	<u>5,918,470</u>	<u>4,214,855</u>	<u>978,111</u>	<u>11,111,436</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>31,920</u>	<u>470,870</u>	<u>(1,157,014)</u>	<u>(4,214,855)</u>	<u>(978,053)</u>	<u>(6,349,922)</u>
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	-	-	985,000	985,000
<b>NET CHANGE IN FUND BALANCES</b>	31,920	470,870	(1,157,014)	(4,214,855)	6,947	(5,364,922)
FUND BALANCES, JANUARY 1	<u>389,691</u>	<u>379,152</u>	<u>6,250,810</u>	<u>5,112,782</u>	<u>8,447</u>	<u>11,372,039</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u><u>421,611</u></u>	<u><u>850,022</u></u>	<u><u>5,093,796</u></u>	<u><u>897,927</u></u>	<u><u>15,394</u></u>	<u><u>6,007,117</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, 2017**

	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	\$ 549,000	535,681	(13,319)	285,000	339,475	54,475	-	-	-
Intergovernmental	-	-	-	-	-	-	20,000	42,642	22,642
Investment income	-	-	-	-	-	-	-	2,514	2,514
Unspent encumbrances	-	90	90	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	549,000	535,771	(13,229)	285,000	339,475	54,475	20,000	45,156	25,156
<b>EXPENDITURES</b>									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	316,937	316,937	-	-	-	-
Public works:									
Streetlight	484,700	457,172	(27,528)	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	83,000	22,529	(60,471)	-	-	-	-	-	-
Police services	-	-	-	-	-	-	182,965	162,891	(20,074)
Capital outlay	-	-	-	-	-	-	25,000	21,176	(3,824)
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Trustee fees	-	-	-	-	-	-	-	-	-
Total Expenditures	567,700	479,701	(87,999)	316,937	316,937	-	207,965	184,067	(23,898)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(18,700)	56,070	74,770	(31,937)	22,538	54,475	(187,965)	(138,911)	49,054
<b>OTHER FINANCING SOURCES</b>									
Transfers in	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	\$ (18,700)	56,070	74,770	(31,937)	22,538	54,475	(187,965)	(138,911)	49,054
FUND BALANCES, JANUARY 1		1,840,283			31,936			265,648	
<b>FUND BALANCES, DECEMBER 31</b>		\$ 1,896,353			54,474			126,737	

(Continued)

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	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	363,857	8,857	-	-	-	11,000	10,415	(585)
Intergovernmental	-	-	-	13,000	6,554	(6,446)	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Unspent encumbrances	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>355,000</u>	<u>363,857</u>	<u>8,857</u>	<u>13,000</u>	<u>6,554</u>	<u>(6,446)</u>	<u>11,000</u>	<u>10,415</u>	<u>(585)</u>
<b>EXPENDITURES</b>									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	16,650	3,948	(12,702)
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Sewer lateral	250,000	238,002	(11,998)	-	-	-	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Police services	-	-	-	17,550	7,932	(9,618)	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Trustee fees	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>250,000</u>	<u>238,002</u>	<u>(11,998)</u>	<u>17,550</u>	<u>7,932</u>	<u>(9,618)</u>	<u>16,650</u>	<u>3,948</u>	<u>(12,702)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	105,000	125,855	20,855	(4,550)	(1,378)	3,172	(5,650)	6,467	12,117
<b>OTHER FINANCING SOURCES</b>									
Transfers in	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	<u>105,000</u>	125,855	<u>20,855</u>	<u>(4,550)</u>	(1,378)	<u>3,172</u>	<u>(5,650)</u>	6,467	<u>12,117</u>
FUND BALANCES, JANUARY 1		<u>382,666</u>			<u>37,492</u>			<u>29,174</u>	
<b>FUND BALANCES, DECEMBER 31</b>		<u>508,521</u>			<u>36,114</u>			<u>35,641</u>	

(Continued)

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	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	2,772,769	(327,231)	150,000	204,811	54,811	-	470,870	470,870
Intergovernmental	-	-	-	-	-	-	-	-	-
Investment income	-	11,868	11,868	-	-	-	-	-	-
Unspent encumbrances	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	3,600	3,600	-	-	-
Total Revenues	3,100,000	2,784,637	(315,363)	150,000	208,411	58,411	-	470,870	470,870
<b>EXPENDITURES</b>									
Current:									
Community development:									
Beautification	-	-	-	-	-	-	-	-	-
Economic development	100,000	60,530	(39,470)	200,000	172,891	(27,109)	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	3,945,000	3,945,000	-	-	-	-	-	-	-
Interest	535,000	526,125	(8,875)	-	-	-	-	-	-
Trustee fees	-	-	-	-	-	-	-	-	-
Total Expenditures	4,580,000	4,531,655	(48,345)	200,000	172,891	(27,109)	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,480,000)	(1,747,018)	(267,018)	(50,000)	35,520	85,520	-	470,870	470,870
<b>OTHER FINANCING SOURCES</b>									
Transfers in	-	-	-	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(1,480,000)	(1,747,018)	(267,018)	(50,000)	35,520	85,520	-	470,870	470,870
FUND BALANCES, JANUARY 1		2,868,968			386,091			379,152	
<b>FUND BALANCES, DECEMBER 31</b>		1,121,950			421,611			850,022	

(Continued)

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Total Special Revenue Funds			Community Center Construction			Community Center Debt Service		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
<b>REVENUES</b>									
Municipal taxes	4,450,000	4,697,878	247,878	-	-	-	-	-	-
Intergovernmental	33,000	49,196	16,196	-	-	-	-	-	-
Investment income	-	14,382	14,382	-	-	-	-	-	-
Unspent encumbrances	-	90	90	-	383,300	383,300	-	-	-
Other	-	3,600	3,600	-	-	-	-	58	58
Total Revenues	<u>4,483,000</u>	<u>4,765,146</u>	<u>282,146</u>	<u>-</u>	<u>383,300</u>	<u>383,300</u>	<u>-</u>	<u>58</u>	<u>58</u>
<b>EXPENDITURES</b>									
Current:									
Community development:									
Beautification	16,650	3,948	(12,702)	-	-	-	-	-	-
Economic development	300,000	233,421	(66,579)	-	-	-	-	-	-
Tourism	316,937	316,937	-	-	-	-	-	-	-
Public works:									
Streetlight	484,700	457,172	(27,528)	-	-	-	-	-	-
Sewer lateral	250,000	238,002	(11,998)	-	-	-	-	-	-
Public works projects:									
Streetlighting	83,000	22,529	(60,471)	-	-	-	-	-	-
Police services	200,515	170,823	(29,692)	-	-	-	-	-	-
Capital outlay	25,000	21,176	(3,824)	390,350	389,647	(703)	-	-	-
Debt service:									
Principal	3,945,000	3,945,000	-	-	-	-	610,000	610,000	-
Interest	535,000	526,125	(8,875)	-	-	-	366,000	365,033	(967)
Trustee fees	-	-	-	-	-	-	9,000	3,078	(5,922)
Total Expenditures	<u>6,156,802</u>	<u>5,935,133</u>	<u>(221,669)</u>	<u>390,350</u>	<u>389,647</u>	<u>(703)</u>	<u>985,000</u>	<u>978,111</u>	<u>(6,889)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,673,802)</u>	<u>(1,169,987)</u>	<u>503,815</u>	<u>(390,350)</u>	<u>(6,347)</u>	<u>384,003</u>	<u>(985,000)</u>	<u>(978,053)</u>	<u>6,947</u>
<b>OTHER FINANCING SOURCES</b>									
Transfers in	-	-	-	-	-	-	985,000	985,000	-
<b>NET CHANGE IN FUND BALANCES</b>	<u><u>(1,673,802)</u></u>	<u><u>(1,169,987)</u></u>	<u><u>503,815</u></u>	<u><u>(390,350)</u></u>	<u><u>(6,347)</u></u>	<u><u>384,003</u></u>	<u><u>-</u></u>	<u><u>6,947</u></u>	<u><u>6,947</u></u>
FUND BALANCES, JANUARY 1		<u>6,221,410</u>			<u>873,889</u>			<u>8,447</u>	
<b>FUND BALANCES, DECEMBER 31</b>		<u><u>5,051,423</u></u>			<u><u>867,542</u></u>			<u><u>15,394</u></u>	

(Continued)

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	Total Capital Projects			Total Nonmajor Funds		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
<b>REVENUES</b>						
Municipal taxes	-	-	-	4,450,000	4,697,878	247,878
Intergovernmental	-	-	-	33,000	49,196	16,196
Investment income	-	-	-	-	14,382	14,382
Unspent encumbrances	-	383,300	383,300	-	383,390	383,390
Other	-	58	58	-	3,658	3,658
Total Revenues	<u>-</u>	<u>383,358</u>	<u>383,358</u>	<u>4,483,000</u>	<u>5,148,504</u>	<u>665,504</u>
<b>EXPENDITURES</b>						
Current:						
Community development:						
Beautification	-	-	-	16,650	3,948	(12,702)
Economic development	-	-	-	300,000	233,421	(66,579)
Tourism	-	-	-	316,937	316,937	-
Public works:						
Streetlight	-	-	-	484,700	457,172	(27,528)
Sewer lateral	-	-	-	250,000	238,002	(11,998)
Public works projects:						
Streetlighting	-	-	-	83,000	22,529	(60,471)
Police services	-	-	-	200,515	170,823	(29,692)
Capital outlay	390,350	389,647	(703)	415,350	410,823	(4,527)
Debt service:						
Principal	610,000	610,000	-	4,555,000	4,555,000	-
Interest	366,000	365,033	(967)	901,000	891,158	(9,842)
Trustee fees	9,000	3,078	(5,922)	9,000	3,078	(5,922)
Total Expenditures	<u>1,375,350</u>	<u>1,367,758</u>	<u>(7,592)</u>	<u>7,532,152</u>	<u>7,302,891</u>	<u>(229,261)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,375,350)	(984,400)	390,950	(3,049,152)	(2,154,387)	894,765
<b>OTHER FINANCING SOURCES</b>						
Transfers in	<u>985,000</u>	<u>985,000</u>	<u>-</u>	<u>985,000</u>	<u>985,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(390,350)</u>	600	<u>390,950</u>	<u>(2,064,152)</u>	(1,169,387)	<u>894,765</u>
FUND BALANCES, JANUARY 1		<u>882,336</u>			<u>7,103,746</u>	
<b>FUND BALANCES, DECEMBER 31</b>		<u>882,936</u>			<u>5,934,359</u>	

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

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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, 2017**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Municipal taxes - gaming	\$ 3,120,000	3,116,479	(3,521)
Intergovernmental	6,170,000	5,318,638	(851,362)
Unspent encumbrances	-	140,694	140,694
Miscellaneous	-	825	825
Total Revenues	9,290,000	8,576,636	(713,364)
<b>EXPENDITURES</b>			
Capital projects:			
Capital projects management	321,898	270,732	(51,166)
Annual slab/sidewalk replacement	1,000,000	662,395	(337,605)
Right-of-way enhancement program	100,000	-	(100,000)
Fee Fee Road	700,000	628,834	(71,166)
Progress Parkway	71,345	71,344	(1)
Sidewalk construction	275,000	270,350	(4,650)
Public works capital equipment	150,000	140,113	(9,887)
Dorsett Road great streets implementation	150,000	4,875	(145,125)
Delord Ave (Delord to Harding)	440,000	26,652	(413,348)
Fee Fee Creek	210,000	209,000	(1,000)
Grissom Drive	475,000	47,211	(427,789)
Ice Arena project	5,000,000	-	(5,000,000)
Creve Coeur Mill Road and storm water	440,000	312,946	(127,054)
Maryland Park Lake District	825,000	727,834	(97,166)
Rose Acres Tributary	158,000	157,737	(263)
Holly Crest Court	100,000	82,634	(17,366)
Charente Drive	70,000	62,605	(7,395)
Daley/Broadview/Gill	800,000	60	(799,940)
Project monitoring	25,000	-	(25,000)
Small storm water projects	527,000	108,363	(418,637)
Regional Hiking/Biking Trail System	6,190,000	6,187,653	(2,347)
Total Expenditures	18,028,243	9,971,338	(8,056,905)
<b>REVENUES UNDER EXPENDITURES</b>	(8,738,243)	(1,394,702)	7,343,541
<b>OTHER FINANCING SOURCES</b>			
Transfers in	5,000,000	5,000,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (3,738,243)</b>	<b>3,605,298</b>	<b>7,343,541</b>
FUND BALANCE, JANUARY 1		8,137,362	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 11,742,660</b>	

**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, 2017**

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	<b>Balance December 31 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31 2017</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash	\$ 596,778	1,044,220	580,515	1,060,483
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,457	385,406	377,288	11,575
Deposits held for others	593,321	1,111,320	655,733	1,048,908
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	\$ 596,778	1,496,726	1,033,021	1,060,483
	<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.	74 - 78
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City’s most significant local revenue sources.	79 - 83
<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.	84 - 87
<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.	88 - 89
<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.	90 - 92

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>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>2017</b>
Governmental activities:										
Net investment in capital assets	\$ 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	145,517,057
Restricted for debt service	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	15,501
Restricted for other purposes	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	3,799,853
Unrestricted	37,280,872	27,373,701	25,313,159	29,269,007	34,527,121	37,508,623	38,071,760	43,027,838	41,886,551	46,014,976
Total Net Position	\$ 144,141,062	144,920,159	149,255,932	161,615,277	167,401,630	171,470,618	173,690,898	179,617,271	185,684,592	195,347,387

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)

	<b>For The Years Ended December 31</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>2017</b>
<b>EXPENSES</b>										
Legislative	\$ 250,661	143,972	139,354	151,333	146,509	154,813	149,994	148,426	196,712	160,774
General administration	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	2,685,671
Finance and accounting	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	1,349,977
Community development	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	2,278,066
Public works	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	10,140,858
Police services	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	10,760,469
Judicial	340,239	364,290	369,343	384,507	404,990	365,548	373,615	420,936	435,527	324,429
Parks and recreation	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	5,757,671
Human services	290,000	297,482	335,929	345,412	308,068	304,450	320,681	330,720	327,392	210,219
Interest on long-term debt	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	825,972
Total Expenses	<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>	<u>34,494,106</u>
<b>PROGRAM REVENUES</b>										
Charges for services:										
Community development	1,264,873	565,128	548,343	693,710	785,193	853,298	754,823	968,997	1,641,041	1,215,386
Public works	220,351	202,644	205,216	226,215	205,730	203,981	359,902	363,841	364,313	363,857
Police services	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	1,539,143
Judicial	222,167	225,844	212,139	226,722	232,470	196,005	209,128	163,763	100,127	91,623
Parks and recreation	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	1,511,650
Human services	46,761	58,111	34,442	41,404	47,464	-	-	-	-	-
Operating grants and contributions	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	2,201,262
Capital grants and contributions	2,565,202	4,681,889	2,008,578	5,718,036	692,983	1,452,327	298,273	870,588	4,782,425	5,481,297
Total Program Revenues	<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>	<u>12,404,218</u>
<b>NET REVENUE (EXPENSES)</b>	<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>	<u>(22,089,888)</u>
<b>GENERAL REVENUES</b>										
Gaming tax	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	10,388,263
Sales taxes	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	9,872,492
Utility tax	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	6,116,132
Property tax from tax increment financing	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	3,150,603
Hotel/motel tax	262,225	245,429	221,098	258,243	272,650	269,679	280,805	281,017	316,937	339,475
Cigarette tax	84,448	75,226	73,636	73,265	75,256	72,934	71,097	78,983	75,108	67,627
Business license tax	584,968	719,273	623,532	681,544	641,768	656,251	654,600	644,833	642,673	615,999
Cable franchise tax	263,742	301,004	330,568	351,505	369,568	364,730	402,200	419,403	397,243	348,185
Investment earnings	3,068,687	857,212	579,077	1,094,251	481,387	1,163	608,117	387,937	384,179	529,029
Gain on sale of capital assets	223,620	6,300	106,592	-	-	-	-	-	-	-
Other	117,096	101,662	262,672	79,328	691,817	822,969	99,615	187,412	228,214	324,878
Special items	-	(5,554,074)	-	-	-	-	-	-	-	-
Total General Revenues	<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>	<u>31,752,683</u>
<b>CHANGE IN NET POSITION</b>	<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>	<u>9,662,795</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									
	2008	2009	2010	2011*	2012*	2013*	2014*	2015*	2016*	2017*
<b>General Fund</b>										
Reserved	\$ 8,086,849	3,038,497	5,433,310	625,450 †	465,823 †	629,137 †	706,824	611,145	714,594	448,505
Unreserved	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	26,306,217
Nonspendable				466,223	282,002	330,411	624,466	558,931	654,231	429,398
Restricted				-	-	-	-	-	-	-
Committed				143,842	161,220	236,061	49,469	-	44,615	49,230
Assigned				15,385	22,601	62,665	11,316,656	52,214	15,748	19,107
Unassigned				31,343,370	35,442,869	36,107,860	25,003,829	27,153,577	28,839,414	26,256,987
<b>Total General Fund</b>	<b>\$ 41,481,854</b>	<b>28,976,175</b>	<b>30,441,069</b>	<b>31,968,820</b>	<b>35,908,692</b>	<b>36,736,997</b>	<b>36,994,420</b>	<b>27,764,722</b>	<b>29,554,008</b>	<b>26,754,722</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 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	22,984,956 ϕ	6,800,583 ϕ	2,333,902 ϕ
Unreserved, reported in:										
Special Revenue Funds	2,396,168	5,086,530	4,211,780	8,103,491	8,681,276	6,936,356	9,006,336	9,455,203	9,085,676	10,630,300
Capital Projects Funds	7,590,897	9,793,394	4,927,110	8,081,026	9,053,831	8,325,384	9,122,172	6,782,869	9,011,251	12,610,202
Debt Service Funds	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	3,794,027
Committed				14,481,992	14,557,320	14,885,497	13,719,147	24,732,348	19,351,530	21,780,377
Assigned				-	-	-	-	-	-	-
Unassigned				-	-	(614)	-	(3,978)	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 23,967,430</b>	<b>24,675,753</b>	<b>19,357,733</b>	<b>23,020,055</b>	<b>21,896,352</b>	<b>21,605,253</b>	<b>20,770,828</b>	<b>39,223,028</b>	<b>24,897,510</b>	<b>25,574,404</b>

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>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>2017</b>
<b>REVENUES</b>										
Municipal taxes	\$ 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	31,804,826
Licenses, permits, fines, and fees	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	3,552,361
Charges for services	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	1,511,650
Intergovernmental	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	5,953,412
Investment income	3,068,687	857,212	579,077	1,094,251	481,387	1,163	608,117	387,937	384,179	529,029
Other	354,180	278,757	251,078	58,705	653,075	832,979	103,159	110,137	892,845	185,960
<b>Total Revenues</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>43,537,238</b>
<b>EXPENDITURES</b>										
Current:										
Legislative	250,661	143,972	139,354	151,333	146,509	154,813	149,994	148,426	196,712	160,774
General administration	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	2,051,522
Finance and accounting	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	1,315,863
Community development	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	2,276,220
Public works	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	5,666,015
Police services	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	10,592,561
Judicial	338,085	364,934	370,630	382,877	404,940	367,890	349,818	429,712	426,655	328,478
Parks and recreation	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	4,510,614
Human services	290,105	298,189	335,525	344,784	345,791	303,943	322,834	337,171	324,502	210,557
Capital outlay	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	13,276,471
Debt service:										
Principal	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	4,555,000
Issuance costs	-	-	-	-	-	-	-	307,356	-	-
Interest	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	891,158
<b>Total Expenditures</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>45,835,233</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</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>(2,297,995)</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	-	-	-	-	-	-	-	-	-	-
Transfers in	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	6,085,000
Transfers out	(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)	(6,085,000)
Insurance proceeds	-	-	-	-	-	-	-	-	-	44,253
Bond discount on refinancing tax increment notes	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	934,461	-	154,506	54,099	69,444	63,333	33,488	68,375	65,050	131,350
<b>Total Other Financing Sources (Uses)</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>175,603</b>
<b>NET CHANGES IN FUND BALANCES</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>	<b>(2,122,392)</b>
Debt service as a percentage of noncapital expenditures	13.84 %	26.12	6.75	10.55	9.03	8.97	8.37	10.13	12.93	16.20

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>
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
2017	10,388,263	5,892,500	9,569,763	5,954,300	31,804,826

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Electric	\$ 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	64,499,224
Gas	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	12,185,838
Telephone	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	23,873,077
Water	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	7,059,985
Total Gross Receipts Of Utilities	\$ 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	107,618,123
Rate	5.5 %	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Revenue	\$ 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	5,918,997

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

No overlapping jurisdictions impose this tax.

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

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

Prior to 2010 the City deferred all payments received by T-Mobile cellular phone companies pending the outcome of a lawsuit. The lawsuit settlement resulted in a one-time payment. 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	2017			2008		
	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts
Ameren Missouri	\$ 64,499,224	1	59.93 %	\$ 46,594,761	1	41.37 %
Spire	12,182,254	2	11.32	17,811,942	2	15.81
Missouri-American Water Co.	7,059,985	3	6.56	4,881,317	5	4.33
New Cingular Wireless	4,886,657	4	4.54	6,712,774	4	5.96
AT&T Missouri (Formerly, Southwestern Bell)	4,542,568	5	4.22	8,042,277	3	7.14
			<u>86.57 %</u>			<u>74.61 %</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>
2017	0.500 %	3.388 %	4.225 %	8.113 %
2016	0.500	2.888	4.225	7.613
2015	0.500	2.888	4.225	7.613
2014	0.500	2.888	4.225	7.613
2013	0.500	2.888	4.225	7.613
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

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

Please note: Missouri Department of Revenue was unable to provide data for 2017 due to a system change. The data will be provided in following years.

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>
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
2017	5,404	237,341	10,388	23.9

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Certificates of participation	\$ -	-	-	-	-	-	-	15,104,148	14,498,738	13,883,327
Tax increment notes and bonds	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	4,204,850
Leasehold revenue bonds*	8,615,000	-	-	-	-	-	-	-	-	-
Total Debt Outstanding	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	18,088,177
Less - Reserve for debt service	(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)	(15,501)
Net Debt Outstanding	<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>	<u>18,072,676</u>
Personal Income	<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>	<u>812,814,064</u>
Debt As Percentage Of Personal Income	<u>4.40 %</u>	<u>3.01</u>	<u>2.86</u>	<u>2.59</u>	<u>1.97</u>	<u>1.76</u>	<u>1.55</u>	<u>3.16</u>	<u>2.78</u>	<u>2.23</u>
Population	<u>27,346</u>	<u>27,346</u>	<u>27,346</u>	<u>27,472</u>						
Per Capita Debt	<u>\$ 1,096</u>	<u>751</u>	<u>713</u>	<u>642</u>	<u>584</u>	<u>521</u>	<u>459</u>	<u>934</u>	<u>824</u>	<u>658</u>

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

**CITY OF MARYLAND HEIGHTS, MISSOURI**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

<b>Description</b>	<b>December 31</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>2017</b>
Debt limit	\$ 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	106,959,345
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>	<u>106,959,345</u>

**Calculation for Fiscal Year 2016:**

Assessed value	\$ 1,069,593,452
Debt limit -- 10% of assessed value	\$ 106,959,345

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	\$ 96,850,000	4.35 %	\$ 4,212,975
Monarch Fire Protection District <sup>1</sup>	-	0.48	-
Metropolitan St. Louis Sewer District	1,715,835,581	7.74	132,805,673
Pattonville-Bridgeton Fire Protection District <sup>1</sup>	13,825,000	29.73	4,110,172
Pattonville School District <sup>1</sup>	53,810,000	43.87	23,606,447
Parkway School District <sup>1</sup>	194,635,000	8.77	17,069,489
Special School District <sup>1</sup>	-	4.35	-
Maryland Heights Fire Protection District <sup>1</sup>	6,595,000	94.84	6,254,698
Creve Coeur Fire Protection District <sup>1</sup>	9,100,000	10.41	947,310
Subtotal, Overlapping Debt			189,006,764
City of Maryland Heights direct debt			18,088,177
Total Direct And Overlapping Debt			\$ 207,094,941

<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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Tax increment financing (TIF) sales tax	\$ 114,432	94,424	105,868	128,017	124,599	102,994	153,157	250,629	241,631	274,657
TIF property tax	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	2,498,113
<b>Total Available Revenue</b>	<b><u>\$ 1,974,390</u></b>	<b><u>1,769,644</u></b>	<b><u>3,437,126</u></b>	<b><u>2,892,870</u></b>	<b><u>3,020,663</u></b>	<b><u>1,528,527</u></b>	<b><u>2,895,176</u></b>	<b><u>3,258,267</u></b>	<b><u>2,804,606</u></b>	<b><u>2,772,770</u></b>
Debt Service (interest due including increases to the notes)	\$ 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	4,471,125
Ratio	<u>1.18</u>	<u>0.84</u>	<u>1.52</u>	<u>0.95</u>	<u>1.13</u>	<u>0.57</u>	<u>1.12</u>	<u>1.14</u>	<u>0.91</u>	<u>0.62</u>
TIF bonds outstanding at January 1	\$ 22,330,000	21,545,000	20,705,000	19,640,000	17,760,000	16,145,000	14,415,000	12,690,000	10,595,000	8,160,000
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	3,945,000
<b>TIF Bonds Outstanding At December 31</b>	<b><u>\$ 21,545,000</u></b>	<b><u>20,705,000</u></b>	<b><u>19,640,000</u></b>	<b><u>17,760,000</u></b>	<b><u>16,145,000</u></b>	<b><u>14,415,000</u></b>	<b><u>12,690,000</u></b>	<b><u>10,595,000</u></b>	<b><u>8,160,000</u></b>	<b><u>\$ 4,215,000</u></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.

# 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>	
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
2017	27,472	812,814	29,587	5,502	17,597	2.80

Source: Population and per capita personal income based on U.S. Census Bureau data  
 School enrollment information provided by school district.  
 Unemployment rate information received from the Missouri Department of Labor

## CITY OF MARYLAND HEIGHTS, MISSOURI

### Principal Employers

#### Current Year And Nine Years Ago

<u>Employer</u>	<u>2017</u>			<u>2008</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>
Edward Jones	1,835	1	4.26 %	2,442	1	4.62 %
Charter Communications Entertainment	1,694	2	3.94	-	-	-
World Wide Technologies	1,479	3	3.44	539	8	1.02
Magellan Health Services	1,350	4	3.14	-	-	-
Hollywood Casino St. Louis	1,256	5	2.92	-	-	-
United Health Care of the Midwest	900	6	2.09	900	5	1.70
Elsevier Science	724	7	1.68	497	10	0.94
Bunge North America	650	8	1.51	-	-	-
Schnucks Markets	635	9	1.48	743	6	1.41
Essence Healthcare	556	10	1.29	-	-	-
Express Scripts, Inc.	-	-	-	2,005	2	3.79
Harrah's Casino	-	-	-	1,995	3	3.77
TALX	150	44	0.35	973	4	1.84
Monsanto	553	11	1.29	600	7	1.13
Quest Diagnostics Clinical Laboratories	290	27	0.67	521	9	0.98
Total	<u>12,072</u>		<u>28.06 %</u>	<u>11,215</u>		<u>21.20 %</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government:										
Administration	8.89	9.10	8.25	7.50	7.50	8.75	8.75	9.75	9.25	10.50
Finance	9.25	9.25	9.00	9.00	9.00	9.25	9.25	9.00	9.00	8.00
Community development	19.42	20.25	19.45	19.25	19.25	18.25	19.25	19.25	20.25	20.25
Municipal court	5.27	5.65	5.65	5.65	5.65	5.65	4.30	5.30	3.30	3.80
Human services	2.40	2.40	2.80	2.80	2.80	3.60	1.80	1.90	1.90	0.00
Police:										
Officers	79.00	79.00	79.00	79.00	79.00	79.00	79.00	78.20	78.00	78.00
Civilians	19.20	19.20	19.20	19.20	18.20	18.20	18.80	17.90	17.90	19.90
Public works:										
Engineering and administration	5.25	5.25	5.00	5.00	5.00	5.00	5.00	4.00	4.00	3.50
Road and bridges	15.50	15.50	15.50	14.50	15.50	15.50	15.50	15.50	15.50	14.50
Stormwater	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Vehicle maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Construction management	7.25	6.25	6.25	6.25	6.25	6.25	6.25	5.25	5.25	3.25
Parks and recreation:										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00
Recreation services	11.20	10.50	10.50	10.20	9.80	9.90	11.40	12.30	31.44	35.80
Community Centre	13.45	13.55	13.45	13.70	13.45	13.70	13.80	13.80	6.57	7.25
Government center maintenance	3.25	5.00	5.00	5.00	5.00	5.00	4.00	4.00	4.00	5.00
Sportport	7.60	7.55	7.20	-	-	-	-	-	-	-
Aquaport	2.60	2.50	2.50	2.50	2.50	2.90	2.90	2.90	2.45	3.30
Parks maintenance	8.50	8.50	8.50	8.50	8.50	9.20	9.20	9.20	10.70	9.20
Total	231.03	232.45	230.25	221.05	220.40	223.15	222.20	221.25	232.51	234.25

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	27	27
Public works:										
Streets (miles)	97	97	97	97	97	97	97	97	97	97
Streetlights	1,893	1,904	1,922	1,948	1,956	1,956	1,961	1,948	1,954	1,963
Parks and recreation:										
Recreational facilities	8	8	8	8	8	8	8	8	7 *	8
Acreage <sup>1</sup>	107	123	123	123	123	123	123	123	123	123
Playgrounds	6	7	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	N/A *	92,000
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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Police</b>										
Adult arrests	4,482	4,617	4,708	5,020	5,184	4,947	4,730	4,655	4,042	4,625
Juvenile arrests	347	485	488	386	457	197	135	105	84	100
Hazardous citations	7,975	7,958	7,037	7,174	6,404	5,545	5,650	5,520	4,249	4,255
Nonhazardous citations	5,483	6,008	6,403	6,768	6,281	6,731	6,185	5,990	5,178	5,148
Emergency calls	514	410	438	422	357	574	554	566	617	632
Nonemergency calls	55,794	48,868	49,989	54,152	50,099	64,310	68,369	73,634	79,859	78,278
<b>Public Works</b>										
Street asphalt repairs tons	93	118	138	224	190	63	152	134	71	83
Street concrete repairs sq. yds.	28,610	41,335	66,357	31,408	34,980	43,644	20,767	12,097	1,283	2,335
Sidewalk replacement sq. ft.	26,892	39,685	41,016	19,801	8,557	19,932	14,608	2,763	9,530	11,239
Trees maintained	1,437	1,786	1,394	836	1,306	1,574	1,245	1,677	3,027	1,707
Stormwater inlet repairs	146	134	65	77	66	69	114	70	86	41
Sewer lateral repairs	51	56	58	51	64	48	61	73	67	64
<b>Parks and Recreation</b>										
Total programs offered	955	861	828	1,048	894	786	781	871	411	305
Total program registrations	6,890	6,933	7,091	7,142	7,556	7,071	7,888	5,910	5,842	6,395
Room set-ups	2,128	2,026	2,204	2,198	2,732	3,409	3,338	3,425	2,061	1,043
Room rentals	2,128	2,026	2,192	2,198	2,426	2,454	2,459	2,404	1,735	445
Rental attendance	83,873	69,527	74,510	68,178	82,096	65,954	72,756	74,276	35,620	47,303
<b>Community Development</b>										
Zoning permits	375	358	347	286	168	150	134	133	146	129
Business licenses	1,760	1,609	1,787	1,718	1,621	1,695	1,564	1,778	1,665	1,714
Building permits	790	904	716	1,229	1,675	1,727	1,254	1,280	1,351	1,586
Building inspections	4,150	3,328	3,237	5,099	4,955	3,901	3,035	3,534	3,924	4,719
Code inspections	1,089	1,554	1,717	1,532	2,483	1,693	1,421	2,384	1,751	1,209
Notice of code violation sent	348	703	650	606	934	473	362	528	321	235
<b>Finance and Administration</b>										
Bid solicitations	18	15	17	21	20	20	16	19	20	20
Press releases issued	32	25	35	30	30	25	4	10	16	15
Public inquiry responses - email	465	290	311	273	200	285	233	210	270	363

Source: Various City departments