

City of Maryland Heights, Missouri



Comprehensive Annual Financial Report

For The Year Ended December 31, 2019

CITY OF MARYLAND HEIGHTS, MISSOURI

Comprehensive Annual Financial Report For The Fiscal Year Ended December 31, 2019

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

CITY OF MARYLAND HEIGHTS, MISSOURI

FINANCIAL REPORT

	Page
SECTION I - INTRODUCTORY SECTION	
Principal Officials	ii
Organizational Chart	iii
Certificate of Achievement	iv
Letter of Transmittal	v
SECTION II - FINANCIAL SECTION	
Independent Auditor's Report	2
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Enterprise Fund	23
Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Fund	24
Statement of Cash flows - Enterprise Fund	25
Statement of Fiduciary Net Position - Fiduciary Funds	26
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	27
Notes to Financial Statements	28
Required Supplemental Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
General Fund	57
Special Park Fund	60
Westport Plaza TIF	61
Budgetary Basis of Accounting	62
Budgetary Data	63
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios	64
Schedule of Pension Contributions	65
Schedule of Changes in Net OPEB Liability and Related Ratios	66
Schedule of OPEB Contributions and Investment Returns	67
Other Supplemental Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet - Nonmajor Funds	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Funds	72
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Nonmajor Funds	74
Major Governmental Funds - Budgetary Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Improvements Fund	78
Fiduciary Fund Types:	
Statement of Changes in Assets and Liabilities - Agency Fund	80

CITY OF MARYLAND HEIGHTS, MISSOURI
FINANCIAL REPORT

	Page
SECTION III - STATISTICAL SECTION	
Net Position by Component	83
Change in Net Position	84
Fund Balances of Governmental Funds	85
Changes in Fund Balances of Governmental Funds	86
Tax Revenues by Source, Governmental Funds	87
Gross Receipts Tax on Utilities - Rates, Direct and Overlapping	88
Principal Taxpayers - Gross Receipts Tax on Utilities	89
Sales Tax Rates, Direct and Overlapping	90
Taxable Sales Generated by Industry	91
Gaming Tax Revenues	92
Ratios of Outstanding Debt by Type	93
Legal Debt Margin Information	94
Computation of Direct and Overlapping Debt	95
Pledged Revenue Coverage	96
Demographic and Economic Statistics	97
Principal Employers	98
Full-time Equivalent City Government Employees by Functions/Programs	99
Capital Asset Statistics by Functions/Programs	100
Operating Indicators by Functions/Programs	101

SECTION I - INTRODUCTORY SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI
PRINCIPAL OFFICIALS
DECEMBER 31, 2019

MAYOR

G. Michael Moeller

CITY COUNCIL

Susan Taylor
Gavin Park
Kimberly Baker
Edwin L. Dirck, Jr.
Charles Caverly
Nancy Medvick
Steve Borgmann
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

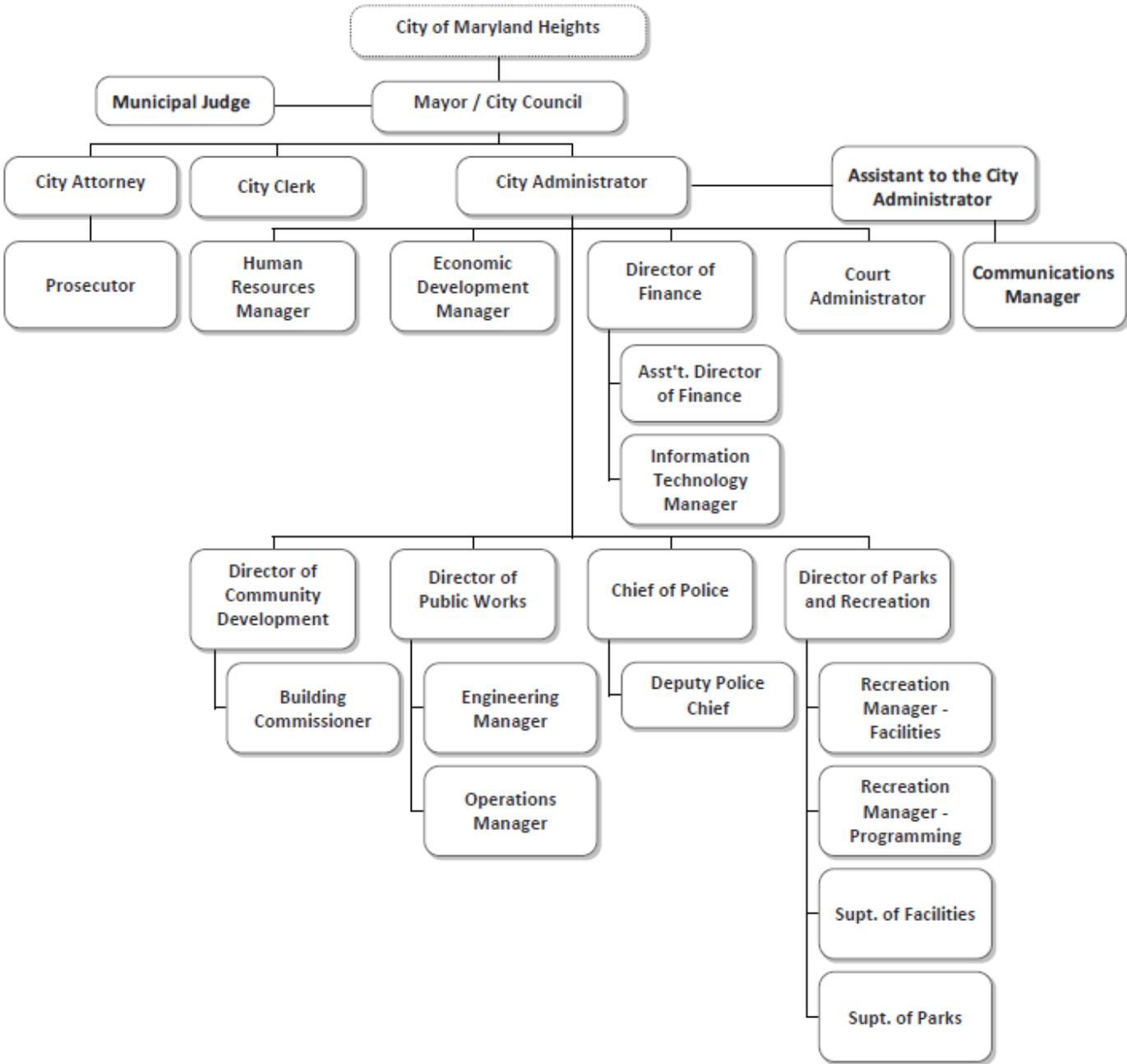
DIRECTOR OF COMMUNITY DEVELOPMENT

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, 2018

Christopher P. Morill

Executive Director/CEO



June 23, 2020

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, 2019, 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, 2019 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, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the

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

Profile of the City

The City is located approximately 20 miles northwest of downtown St. Louis, Missouri. The City covers about 23.4 square miles and serves a population of 27,484 residents occupying approximately 13,000 housing units. The business community is quite diverse with 1,860 businesses employing 55,000 people. Also notable is the existence of over 4,000 hotel rooms, a casino, a 21,000 capacity outdoor amphitheater, and other popular nightlife activities. On a busy day, more than 130,000 people will live, shop, work, visit, or stay in the City.

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

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

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

The annual budget serves as a complete financial and operational plan for the following year. All departments of the City are required to submit requests for appropriations to the

City Administrator who uses these requests as a starting point for development of a proposed budget. The Director of Finance presents to the City Administrator estimates detailing the various revenues, grants, bond proceeds, and other funding sources that are anticipated. The budget is prepared by fund. It is broken down further by departments, programs, or projects within the departments, then object of expenditures (i.e., personal services, contractual services, commodities, capital assets, debt service) within programs and finally, line items within the objects. After consultation with the department heads, the City Administrator presents a proposed budget to the Mayor and City Council. The Mayor and Council hold workshops and at least one public hearing prior to adopting the budget by December 31. Department heads, with the City Administrator's approval, may transfer appropriated funds within departmental programs/projects. The legal level of control of the Council extends to the program/project level. The City Administrator is authorized to move funds within a department between programs/projects up to \$12,000. The Council must authorize transfers between departments or funds or any increase in a fund's budget. Budget-to-actual comparisons for the General Fund and Major Special Revenue Funds are provided in this report on pages 56 through 61 as required supplementary information. For other governmental funds that have an adopted budget, comparison schedules are found in other supplementary information beginning on page 68.

Factors Affecting Financial Condition

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

Global pandemic. In early 2020, the world has been challenged by the outbreak of the coronavirus, which poses health and economic stress until treatment and prevention measures are perfected. The City relies heavily on a robust hospitality and entertainment industry to provide resources to fund services.

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 2019. The year was highlighted by the completion of construction of the Community Ice Center (d/b/a Centene Community Ice Center), a 275,000 square foot facility featuring four rinks of ice. The Center serves as the official practice home of the National Hockey League's St. Louis Blues, as well as host to youth and collegiate ice hockey teams and tournaments, amateur hockey play, learn to skate, and other ice sports and recreation programs.

Riverboat gaming. A large portion (about 23% in 2019) 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 \$27 million are planned for the years 2020 through 2024. 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 2019.

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, an indoor water park, and entertainment and reception space. The aforementioned Community Ice Center opened in September 2019 and further expands leisure activities while providing an impetus to development. Expansion of trails, renovations of the City's water park, Aquaport, and the acquisition of athletic fields emphasize the City's on-going commitment to leisure activities.

In 2019, the City implemented the use of body and dashboard cameras in the Police Department; this was made possible through funds generated by a countywide sales tax for public safety adopted by voters in 2017.

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, 2018. This is the 31st 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 recognized the City with its Award for Outstanding Achievement in Popular Annual Financial Reporting for the City's Popular Annual Financial Report (PAFR) issued for the fiscal year ended December 31, 2018. The Award for Outstanding Achievement in PAFR 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 PAFR, 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, 2019. 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.

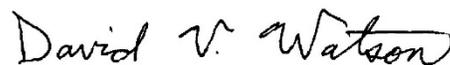
ACKNOWLEDGMENTS

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,



Tracey Anderson
Interim City Administrator



David V. Watson
Director of Finance

SECTION II - FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

June 23, 2020

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, business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF MARYLAND HEIGHTS, MISSOURI** (the City), as of and for the year ended December 31, 2019, 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.

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

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. 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, business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2019, and the respective changes in financial position, and where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 infor-

mation 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 23, 2020 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
Chesterfield, Missouri

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

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, 2019. 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 and deferred amounts for the most recent fiscal year by \$194,733,611 ("net position"). Of this amount, \$23,771,401 may be used to meet the City's ongoing obligations to citizens and creditors. (See description below "government-wide statements".)
- In 2019 the City's total net position decreased by \$4,300,113. In 2018 the City established an enterprise fund, Community Ice Center, to account for the construction and operation of a new facility that consists primarily of ice hockey programs. In 2019 activities of the fund resulted in a decrease from business-type activities in the City's net position before transfers by \$2,228,246. The governmental activities in 2019 resulted in a decrease in net position before transfers of \$2,071,867 due to the issuance of \$6.62 million in tax increment financing notes with \$4.3 million in related revenue but no offsetting assets.
- As of the close of fiscal year 2019, the City's governmental funds reported combined ending fund balances of \$54,246,934, an increase of \$1,373,344 in comparison with the prior year. The amount of unassigned fund balances available for future spending was \$30,223,771 or 56% of the total. (See description on following pages, "fund financial statements".)
- At the end of 2019, unassigned fund balance for the General Fund was \$30,223,771 or 129% of total General Fund expenditures for the year. This represents an increase of \$1,413,347 from 2018. Total General Fund balance, as restated, increased from \$29,457,141 to \$31,421,495 due to revenues and other financing sources exceeding expenditures.
- The City's major source of revenue - gaming taxes (taxes on casino gambling) - totaled \$9,982,640 in 2019 or 23.5% of governmental funds total revenues. This represents a decrease of 0.3% from 2018.
- In 2018 construction began on the St. Louis Community Ice Center, a new 275,000 square foot facility that opened in September 2019 featuring three indoor and one outdoor hockey rinks. Revenue bonds totaling \$55.55 million were issued through the Industrial Development Authority of the City of Maryland Heights to finance the construction.
- In 2019 the City issued \$6,662,500 in tax increment notes to provide funding of certain improvements in the Westport Redevelopment area. The City had issued \$19.2 million in notes for this purpose in 2018. Incremental taxes will provide for the repayment of the notes.
- On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 coronavirus a global pandemic. As a result, economic uncertainties have arisen which could adversely affect revenues. Other financial impacts could also occur though such potential impacts are unknown at this time.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Government-wide Financial Statements

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

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

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

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

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 three categories: governmental funds, proprietary funds, and fiduciary funds.

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

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

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

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Community Ice Center. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. These statements can be found on pages 23 through 25 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. The statement of fiduciary net position and changes in fiduciary net position can be found on pages 26 and 27 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 28 through 55 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 57 through 67 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 70 through 80 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 \$194,733,611 at the close of the most recent fiscal year ended December 31, 2019.

By far the largest portion of the City's net position (83%) 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, 2019

	December 31					
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	\$ 61,050,294	58,632,246	16,707,346	64,448,032	77,757,640	123,080,278
Capital assets, net	154,589,768	156,748,053	67,564,324	14,557,733	222,154,092	171,305,786
Total Assets	<u>215,640,062</u>	<u>215,380,299</u>	<u>84,271,670</u>	<u>79,005,765</u>	<u>299,911,732</u>	<u>294,386,064</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>2,809,478</u>	<u>2,751,446</u>	<u>-</u>	<u>-</u>	<u>2,809,478</u>	<u>2,751,446</u>
LIABILITIES						
Long-term liabilities	36,404,825	33,788,476	55,746,014	55,753,482	92,150,839	89,541,958
Other liabilities	1,994,357	2,133,237	11,095,151	3,693,532	13,089,508	5,826,769
Total Liabilities	<u>38,399,182</u>	<u>35,921,713</u>	<u>66,841,165</u>	<u>59,447,014</u>	<u>105,240,347</u>	<u>95,368,727</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,747,252</u>	<u>2,735,059</u>	<u>-</u>	<u>-</u>	<u>2,747,252</u>	<u>2,735,059</u>
NET POSITION						
Net investment in capital assets	141,977,261	143,495,136	19,781,473	11,790,962	161,758,734	155,286,098
Restricted	5,622,544	6,370,343	3,580,932	3,542,482	9,203,476	9,912,825
Unrestricted	<u>29,703,301</u>	<u>29,609,494</u>	<u>(5,931,900)</u>	<u>4,225,307</u>	<u>23,771,401</u>	<u>33,834,801</u>
Total Net Position	<u>\$ 177,303,106</u>	<u>179,474,973</u>	<u>17,430,505</u>	<u>19,558,751</u>	<u>194,733,611</u>	<u>199,033,724</u>

An additional portion of the City's net position (5%) represents restricted assets, resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$23,771,401) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the 2019 fiscal year, the City is able to report positive fund balances in all three categories of net position, both for the government as a whole, as well as for its governmental activities. The business-type activities show a negative unrestricted net position at year-end.

Overall the City's net position decreased \$4,300,113 from 2018. Key elements of the change are as follows:

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

For The Years Ended December 31

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
	REVENUES					
Program revenues:						
Charges for services	\$ 4,706,997	5,036,745	1,941,117	-	6,648,114	5,036,745
Operating grants and contributions	6,751,798	2,860,670	-	-	6,751,798	2,860,670
Capital grants and contributions	-	905,084	965,253	16,074,640	965,253	16,979,724
General revenues:						
Gaming tax	9,982,640	10,010,410	-	-	9,982,640	10,010,410
Sales tax	11,494,961	11,499,252	-	-	11,494,961	11,499,252
Utility tax	5,504,641	6,098,184	-	-	5,504,641	6,098,184
Property tax from tax increment financing	1,107,905	4,938,356	-	-	1,107,905	4,938,356
Other taxes	423,638	431,886	-	-	423,638	431,886
Licenses and permits	943,170	959,270	-	-	943,170	959,270
Investment earnings	1,436,619	873,191	922,721	541,056	2,359,340	1,414,247
Other	209,930	1,450,840	-	-	209,930	1,450,840
Total Revenues	42,562,299	45,063,888	3,829,091	16,615,696	46,391,390	61,679,584
EXPENSES						
Legislative	179,921	148,419	-	-	179,921	148,419
General administration	2,617,448	2,705,950	-	-	2,617,448	2,705,950
Finance and accounting	1,376,258	1,499,165	-	-	1,376,258	1,499,165
Community development	9,792,272	21,439,615	-	-	9,792,272	21,439,615
Public works	11,768,592	11,093,581	-	-	11,768,592	11,093,581
Police services	10,513,353	11,415,708	-	-	10,513,353	11,415,708
Judicial	334,744	332,493	-	-	334,744	332,493
Parks and recreation services	6,023,345	6,679,046	-	-	6,023,345	6,679,046
Human services	194,440	217,161	-	-	194,440	217,161
Community Ice Center	-	-	6,057,337	2,931,585	6,057,337	2,931,585
Interest on long-term debt	1,833,793	707,799	-	-	1,833,793	707,799
Total Expenses	44,634,166	56,238,937	6,057,337	2,931,585	50,691,503	59,170,522
EXCESS BEFORE TRANSFERS	(2,071,867)	(11,175,049)	(2,228,246)	13,684,111	(4,300,113)	2,509,062
TRANSFERS	(100,000)	(5,874,640)	100,000	5,874,640	-	-
CHANGE IN NET POSITION	(2,171,867)	(17,049,689)	(2,128,246)	19,558,751	(4,300,113)	2,509,062
NET POSITION, JANUARY 1	179,474,973	195,347,387	19,558,751	-	199,033,724	195,347,387
RESTATEMENT	-	1,177,275	-	-	-	1,177,275
NET POSITION, AS RE- STATED	179,474,973	196,524,662	19,558,751	-	199,033,724	196,524,662
NET POSITION, DECEMBER 31	\$ 177,303,106	179,474,973	17,430,505	19,558,751	194,733,611	199,033,724

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

SIGNIFICANT CHANGES IN FUND NET POSITION

In 2019 the City's total net position decreased by \$4,300,113 due to expenses exceeding revenues in both activities.

Governmental activities. The governmental activities in 2019 resulted in a decrease in net position of \$2,171,867 primarily due to reimbursements to developers (via issuance of tax increment financing notes) of \$6.66 million for costs related to the redevelopment of Westport Plaza.

Revenues decreased \$2,501,589 (5.5%) in 2019 compared to 2018. Significant from 2018:

- Operating grants and contributions increased \$3.9 million in 2019 primarily due to funds received from the special taxing district (Community Improvement Districts) within the Westport Plaza Redevelopment (\$4.2 million).
- Investment income on idle funds increased \$563 thousand.
- Property taxes from tax increment financing activities declined \$3.8 million in 2019 due to the expiration of the South Heights TIF in 2018 (\$2.0 million) and lower collections and adjustments in the Westport Plaza TIF (\$1.9 million).
- Other income declined \$1.24 million in 2019 related to a one-time contribution from a developer in 2018 as a provision in the redevelopment agreement of the South Heights TIF.
- Capital grants declined \$905 thousand in 2019 related to a specific infrastructure grant received in 2018; none were received in 2019.
- Charges for services declined \$330 thousand due primarily to lower court fines and building permits in 2019.
- Utility taxes declined \$594 thousand (9.7%) primarily the result of lower electric and telecommunication gross receipts.

Expenses were \$11,604,771 lower in 2019 compared to 2018, however, a large portion, \$12.5 million, of the decrease is attributable to the difference in the cost (incurred in the community development function) associated with the Westport Plaza redevelopment area. Eligible reimbursements to the developer totaled \$19.2 million in 2018 compared to \$6.66 million in 2019. Otherwise, expenses for 2019 were \$933 thousand (2.5%) higher than 2018. Notably, public works expenses were up \$675 thousand (6%) much of which related to the first year depreciation of a new trail. Interest on long-term debt in 2019 was \$1.8 million compared to \$708 thousand in 2018 due to the retirement of debt in the South Heights Tax Increment Financing District in 2018. Parks and recreation expenses decreased \$656 thousand (9.8%) in 2019 due to a variety of reasons.

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

Net position from business-type activities decreased \$2,128,246 in 2019 reflecting four months of operation of the new facility. Revenues from leases, sponsorships, and programs totaled \$1.9 million. Additionally, a grant from the St. Louis County Port Authority and contributions from a special taxing district provided \$965,253 and investment income was

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

\$922,271. Expenses for operating, debt service, and depreciation amounted to \$6,057,337. A transfer of \$100,000 from the City's Park Fund pursuant to a financing agreement also provided funds for the Ice Center. Unrestricted net position decreased from \$4,225,307 to a negative \$5,931,900 due to the excess of expenses over revenues and transfers in (\$2,128,246) and an increase in the investment in capital assets, net of debt (\$7,990,511).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of 2019, the City's governmental funds reported combined ending fund balances of \$54,246,934, an increase of \$1,373,344 from 2018. Included in the increase is a transfer to the Enterprise Fund (Community Ice Center Fund) in 2019 of \$100,000.

Over 50% of the total governmental fund balances (\$30,223,771) at December 31, 2019 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 \$513,009, restricted balances of \$5,622,544, committed balances of \$17,336,575, and assigned balances of \$551,035.

The nonspendable funds represent prepaid expenditures existing at December 31, 2019.

The restricted funds are comprised of resources that have enforceable limitations on their use that include debt service (\$28,810), police services (\$356,945), police officer training (\$33,581), sewer lateral (\$813,992), beautification (\$32,082), tourism (\$17,717), and tax increment financing (\$4,339,417).

The committed funds are those that the City Council, through formal action, has imposed constraints on their use and consist of parks and recreation (\$7,576,694), capital improvements (\$7,532,849), street lighting (\$2,093,352), and funds committed for specific supplies, services, and other current expenditures (\$133,680).

The assigned balance consists of funds that the City intends to use for specific supplies, services, and other current expenditures (\$23,164) as determined by the City Administrator or department directors pursuant to the City's purchasing regulations and the budgeted deficit in 2020 in the General Fund of \$527,871.

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

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 129% of the total General Fund's expenditures. The General Fund's total balance represents 134% of 2019 expenditures.

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

- In 2019, the Special Park Fund increased \$1,050,874, due to revenues exceeding expenditures by \$2,235,874 less a transfer to the Community Center Debt Service Fund of \$985,000 (represents the 2019 debt service due on the bonds issued in January 2015), a transfer of \$100,000 to the Community Ice Center Enterprise Fund pursuant to a financing agreement, and a transfer to the General Fund of \$100,000. Revenues in the fund are comprised of a sales tax restricted for parks, user fees, and grants.
- The Capital Improvements Fund decreased \$1,440,941 in 2019 due to expenditures on a variety of improvement projects. 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, 2019 was \$7,532,849 of which \$860,927 is under contract to complete specific projects. Increases and decreases occur in the fund depending on the funding needs of a variety of projects that may be planned over multiple fiscal years.

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

As noted earlier in the discussion of business-type activities, at the end of 2019 the net position of the Community Ice Center Fund was \$17,430,505, a decrease of \$2,128,246. The new facility was completed and opened for business in September 2019. The four months of operations resulted in a loss of \$1,418,652. Nonoperating revenues of investment income (\$922,721) and nonoperating expenses (\$2,697,568) resulted in an additional decrease in net position of \$1,774,847. Capital contributions comprised of a grant for the St. Louis County Port Authority (\$500,00) and contributions from a Community Improvement District (\$465,256) totaled \$965,253 in 2019.

Fiduciary funds. The City maintains an Agency Fund 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 2019, the cash (and cash equivalents) had decreased \$31,306 (to \$757,170) from 2018 due to normal activity. Municipal court bonds represent about 21% of the funds.

In 2004, the City established, through a contribution of \$2 million from the General Fund, an "Other Post-Employment Benefit" (OPEB) Trust Fund to account for retiree health benefits. During 2019, investments had a net increase in value of \$685,276. Benefits totaling \$53,206 were paid during 2019. The fund had \$4,185,424 in assets at December 31, 2019.

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The final 2019 budget for the City's General Fund represents an original expenditure budget of \$24,766,911 with a net decrease of \$257,000 to \$24,509,911, an adjustment of 1%. While a few specific areas of expenditures were increased, the reduction in the original budget recognized lower than expected personnel costs due to unfilled vacant positions in Administration, Communications, Finance, Public Works, Court, and Police totaling \$312,000 and deferred capital outlay in the Police and Community Development departments totaling \$118,000. Increases to the Trash Hauling service

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

(\$105,000), Police Dispatching program (\$30,000), and Public Works for snow removal (\$30,000) offset some of the reductions.

The City revises revenue estimates as information becomes available. General Fund 2019 revenue estimates were decreased by a net of \$236,000 (1%). Reductions to the estimates for court fines and fees (\$300,000), gaming taxes (\$200,000), utility gross receipts taxes (\$95,000), and intergovernmental reimbursements (\$80,000) were partially offset by increases to the estimates for sales tax (\$100,000), investment income (\$250,000), and miscellaneous revenue (\$90,000).

The General Fund ended the year with budgetary revenues exceeding expenditures by \$1,384,896. Other financing sources added \$282,556 to the General Fund. The other financing sources consisted of a transfer from the Park Fund of \$100,000, insurance proceeds, and proceeds from the sale of assets. The result was a total increase in budgetary funds of \$1,667,452 in 2019 to \$31,244,852 at year-end.

The actual General Fund revenues and expenditures for the year varied slightly from the 2019 amended budget. Total actual revenues were 1.5% (\$378k) higher than budgeted and total actual expenditures were 4.1% (\$1.0m) lower than budgeted. The noteworthy variances were:

- The most significant revenue budget variance was for investment income. For budgetary purposes, General Fund investments made up of short-term federal treasury, agency, and bank certificate of deposits are comprised of interest received and accrued without adjustments to the fair market value. Thus, the budgeted revenue relies on assumptions of available funds and interest rates. The rates and available funds were both higher than anticipated in 2019 resulting in \$288,586 more than anticipated. The City delayed various capital projects and asset replacements due to the uncertainty of a proposed merger of St. Louis County and the City of St. Louis that would have eliminated many of the services provided by municipalities in St. Louis County. The result was higher than expected funds available for investment.
- Gaming taxes dropped slightly in 2019 (\$19k). The revised budget assumed a decrease of \$200k as noted earlier in revisions to the General Fund budget. However, the last quarter of 2019 produced an unexpected increase of \$195k compared to 2018. The result was \$187k more than budgeted.
- County road refund revenue represents a portion of a property tax levied by St. Louis County and distributed to municipalities to be used for road maintenance. The City's share is determined by tax collections by the County. The 2019 distributions were higher than anticipated by \$100k.
- Building permit revenue unexpectedly dropped in 2019 resulting in \$151k less than expected.
- Expenditures were \$1.0 million (4.1%) below budgeted levels in 2019 from various activities. Personnel related costs account for about 50% (\$496k) of the variance due to unbudgeted employee turnover and unfilled vacant positions and the other 50% related to contractual, supplies, and capital equipment costs. Notably, some equipment in the government center, \$60,000 for an uninterrupted power source was deferred until 2020.

None of the noted expenditure variances indicate any major long-term financial issues for the General Fund.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for governmental and business-type activities as of December 31, 2019 amounts to \$222,154,092 (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 \$50,848,306 or 30% more than last year. The addition of the Community Ice Center was the key component of the increase.

Construction in progress decreased \$12,143,809 and total business-type activity capital assets increased \$53,006,591 in 2019 as a result of the Community Ice Center construction.

Capital assets used in governmental activities increase of \$2.9 million were exceeded by depreciation of \$5.0 million resulting in a decrease of \$2.1 million in capital assets.

	December 31					
	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 7,746,365	7,746,365	2,751,998	-	10,498,363	7,746,365
Buildings	40,659,338	41,690,892	56,881,602	-	97,540,940	41,690,892
Other improvements	9,794,488	10,433,394	4,429,543	-	14,224,031	10,433,394
Machinery and equipment	1,988,593	1,830,854	1,167,379	-	3,155,972	1,830,854
Software	40,167	47,604	-	-	40,167	47,604
Automobiles and trucks	1,759,922	1,874,917	-	-	1,759,922	1,874,917
Infrastructure	91,221,629	91,824,883	-	-	91,221,629	91,824,883
Construction in progress	1,379,266	1,299,144	2,333,802	14,557,733	3,713,068	15,856,877
Total	<u>\$ 154,589,768</u>	<u>156,748,053</u>	<u>67,564,324</u>	<u>14,557,733</u>	<u>222,154,092</u>	<u>171,305,786</u>

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the 2019 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 40 through 41 of this report.

Long-term Debt

At the end of 2019, the City had total long-term debt obligations (net of unamortized discount and premium) for governmental activities in the amount of \$35,098,984 compared to \$32,452,917 at the end of 2018.

Business-type debt of \$55,746,014 was outstanding at the end of 2019 compared to \$55,753,482 in 2018. This represents the debt issued in 2018 through the Maryland Heights Industrial Development Authority (IDA), a blended component unit, to finance the construction of the Community Ice Center.

None of the debt outstanding represents general obligation bonds.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

	For The Years Ended December 31		Percentage Change
	2019	2018	
Governmental activities			
Community Center COPS	\$ 12,612,507	13,252,917	(4.83) %
Westport Plaza TIF Notes	22,486,477	19,200,000	17.12
Total	\$ 35,098,984	32,452,917	8.15
Business-type activities			
IDA Revenue Bonds - Community Ice Center	\$ 55,746,014	55,753,482	- %

During 2019 a total of \$635,000 plus certificates of participation premium of \$5,410 were retired. The resulting balance of certificates of participation plus unamortized premium was \$12,612,507.

During 2018, the City issued \$19.2 million in notes to finance eligible redevelopment costs in the Westport Plaza Tax Increment Financing district. In 2019 an additional \$6,662,500 were issued and \$3,376,023 were redeemed. The notes are special, limited obligations payable solely from incremental taxes and special taxes levied within the district.

In 2019, no principal was paid on the IDA Revenue Bonds for the Community Ice Center Bonds. Amortized premium of \$7,468 was recognized.

Missouri state law limits the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for fiscal year 2019 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 42 through 45 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- As noted previously, the world is experiencing an unprecedented health and economic crisis from the outbreak of the coronavirus in 2020. The impact on City revenues in 2020 and beyond is uncertain. The City relies heavily on the hospitality and entertainment industries both of which have been adversely affected. However, with over \$30 million at the end of 2019 in unrestricted General Fund balance, the City is in a position to address the challenge while maintaining services and obligations.
- The City's 2020 annual budget projects total expenditures of \$49,590,184, including capital investments of \$7.0 million.
- The City's capital improvement plan for 2020 to 2024 projects investment in infrastructure improvements, major equipment, and facilities of about \$27.0 million. Given the impacts on City resources of the economic fallout of the coronavirus, the City will amend its plans.
- The City's commitment to the development of the Maryland Park Lake District including the construction of the Community Ice Center and various initiatives to encourage investment in the area is a major focus to grow the region's economic base.

CITY OF MARYLAND HEIGHTS, MISSOURI

Management's Discussion and Analysis

For The Year Ended December 31, 2019

- The City relies heavily on gaming taxes generated by the Hollywood Casino, owned by Penn National Gaming, Inc., to fund services at the current level and provide funds for capital improvements. Casino activity in the St. Louis region has stagnated for a variety of reasons.

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, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 50,787,022	12,516,003	63,303,025
Receivables	6,338,112	483,291	6,821,403
Prepaid items	513,009	87,478	600,487
Restricted assets - cash and investments	128	3,580,932	3,581,060
Inventory	-	39,642	39,642
Net OPEB asset	1,091,265	-	1,091,265
Net pension asset	2,320,758	-	2,320,758
Capital assets not being depreciated:			
Land	7,746,365	2,751,998	10,498,363
Infrastructure	35,749,991	-	35,749,991
Construction in progress	1,379,266	2,333,802	3,713,068
Capital assets, net of accumulated depreciation:			
Buildings	40,659,338	56,881,602	97,540,940
Other improvements	9,794,488	4,429,543	14,224,031
Machinery and equipment	1,988,593	1,167,379	3,155,972
Software	40,167	-	40,167
Automobiles and trucks	1,759,922	-	1,759,922
Infrastructure	55,471,638	-	55,471,638
Total Assets	<u>215,640,062</u>	<u>84,271,670</u>	<u>299,911,732</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	2,550,849	-	2,550,849
Deferred amounts related to OPEB	258,629	-	258,629
Total Deferred Outflows Of Resources	<u>2,809,478</u>	<u>-</u>	<u>2,809,478</u>
LIABILITIES			
Accounts payable	972,465	9,860,697	10,833,162
Accrued interest	267,073	796,469	1,063,542
Accrued payroll	477,777	23,524	501,301
Unearned revenue	277,042	414,461	691,503
Noncurrent liabilities:			
Due within one year	4,936,482	500,000	5,436,482
Due in more than one year	31,468,343	55,246,014	86,714,357
Total Liabilities	<u>38,399,182</u>	<u>66,841,165</u>	<u>105,240,347</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	2,361,262	-	2,361,262
Deferred amounts related to OPEB	385,990	-	385,990
Total Deferred Outflows Of Resources	<u>2,747,252</u>	<u>-</u>	<u>2,747,252</u>
NET POSITION			
Net investment in capital assets	141,977,261	19,781,473	161,758,734
Restricted for:			
Debt service	28,810	3,580,932	3,609,742
Tax increment funds	4,339,417	-	4,339,417
Other purposes	1,254,317	-	1,254,317
Unrestricted	29,703,301	(5,931,900)	23,771,401
Total Net Position	<u>\$ 177,303,106</u>	<u>17,430,505</u>	<u>194,733,611</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

FUNCTIONS/PROGRAMS	Net Revenues (Expenses) And Changes in Net Position						
	Expenses	Program Revenues			Primary Government		
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities							
Legislative	\$ 179,921	-	-	-	(179,921)	-	(179,921)
General administration	2,617,448	-	-	-	(2,617,448)	-	(2,617,448)
Finance and accounting	1,376,258	-	-	-	(1,376,258)	-	(1,376,258)
Community development	9,792,272	885,186	4,327,190	-	(4,579,896)	-	(4,579,896)
Public works	11,768,592	374,853	2,171,682	-	(9,222,057)	-	(9,222,057)
Police services	10,513,353	1,225,878	222,926	-	(9,064,549)	-	(9,064,549)
Judicial	334,744	62,917	-	-	(271,827)	-	(271,827)
Parks and recreation	6,023,345	2,158,163	30,000	-	(3,835,182)	-	(3,835,182)
Human services	194,440	-	-	-	(194,440)	-	(194,440)
Interest and fiscal charges	1,833,793	-	-	-	(1,833,793)	-	(1,833,793)
Total Governmental Activities	44,634,166	4,706,997	6,751,798	-	(33,175,371)	-	(33,175,371)
Business-type Activities							
Community Ice Center	6,057,337	1,941,117	-	965,253	-	(3,150,967)	(3,150,967)
	<u>\$ 50,691,503</u>	<u>6,648,114</u>	<u>6,751,798</u>	<u>965,253</u>	<u>(33,175,371)</u>	<u>(3,150,967)</u>	<u>(36,326,338)</u>
General Revenues							
Gaming tax					9,982,640	-	9,982,640
Sales tax					11,494,961	-	11,494,961
Utility tax					5,504,641	-	5,504,641
Property tax from tax increment financing					1,107,905	-	1,107,905
Hotel/motel tax					367,717	-	367,717
Cigarette tax					55,921	-	55,921
Business license tax					612,236	-	612,236
Cable franchise tax					330,934	-	330,934
Investment earnings					1,436,619	922,721	2,359,340
Gain on sale of capital assets					86,515	-	86,515
Other					123,415	-	123,415
Transfers					(100,000)	100,000	-
Total General Revenues And Transfers					<u>31,003,504</u>	<u>1,022,721</u>	<u>32,026,225</u>
CHANGE IN NET POSITION					(2,171,867)	(2,128,246)	(4,300,113)
NET POSITION, JANUARY 1					<u>179,474,973</u>	<u>19,558,751</u>	<u>199,033,724</u>
NET POSITION, DECEMBER 31					<u>\$ 177,303,106</u>	<u>17,430,505</u>	<u>194,733,611</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Major Funds					Total Governmental Funds
	General	Special Park	Capital Improvements	Westport Plaza TIF	Nonmajor Governmental Funds	
ASSETS						
Cash and investments	\$ 29,285,272	7,507,550	7,592,837	3,094,372	3,306,991	50,787,022
Cash and investments - restricted	-	-	-	-	128	128
Accounts receivable:						
Municipal taxes	3,138,304	746,623	262,183	1,090,336	413,227	5,650,673
Licenses, permits, fines, and fees	502,475	-	-	-	-	502,475
Intergovernmental	-	61,200	-	-	-	61,200
Accrued interest	123,764	-	-	-	-	123,764
Prepaid items	513,009	-	-	-	-	513,009
Due from other funds	62,240	-	-	-	-	62,240
Total Assets	\$ 33,625,064	8,315,373	7,855,020	4,184,708	3,720,346	57,700,511
LIABILITIES						
Accounts payable	\$ 473,931	93,874	317,449	-	87,211	972,465
Accrued payroll	411,085	61,970	4,722	-	-	477,777
Due to other funds	-	-	-	-	62,240	62,240
Unearned revenue	12,917	262,833	-	-	1,292	277,042
Total Liabilities	897,933	418,677	322,171	-	150,743	1,789,524
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	1,305,636	320,002	-	-	38,415	1,664,053
FUND BALANCES						
Nonspendable:						
Prepaid items	513,009	-	-	-	-	513,009
Restricted for:						
Debt service	-	-	-	-	28,810	28,810
Police forfeitures	-	-	-	-	356,945	356,945
Sewer lateral	-	-	-	-	813,992	813,992
Police training	-	-	-	-	33,581	33,581
Beautification	-	-	-	-	32,082	32,082
Tax increment funds	-	-	-	4,184,708	154,709	4,339,417
Tourism tax	-	-	-	-	17,717	17,717
Committed for:						
Parks	-	7,576,694	-	-	-	7,576,694
Capital improvements	-	-	7,532,849	-	-	7,532,849
Streetlighting	-	-	-	-	2,093,352	2,093,352
Purchases on order	133,680	-	-	-	-	133,680
Assigned for:						
Purchases on order	23,164	-	-	-	-	23,164
Subsequent year's budget	527,871	-	-	-	-	527,871
Unassigned	30,223,771	-	-	-	-	30,223,771
Total Fund Balances	31,421,495	7,576,694	7,532,849	4,184,708	3,531,188	54,246,934
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 33,625,064	8,315,373	7,855,020	4,184,708	3,720,346	57,700,511

CITY OF MARYLAND HEIGHTS, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

Total Fund Balances - Total Governmental Funds \$ 54,246,934

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 \$238,258,956 and the accumulated depreciation is \$83,669,188. 154,589,768

Some revenues are not available soon enough (within 30 days of the fiscal year-end) to pay for current expenditures and are not reported as revenue in the governmental funds. 1,664,053

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

Net pension asset	2,320,758
Deferred outflows related to pensions	2,550,849
Deferred inflows related to pensions	(2,361,262)
Deferred outflows related to OPEB	258,629
Deferred inflows related to OPEB	(385,990)
Net OPEB asset	1,091,265

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

Notes and certificates of participation payable	(35,016,477)
Certificates of participation premium	(82,507)

Interest on long-term debt is recognized as an expenditure when due in the governmental funds. (267,073)

Compensated absences are not reported in the governmental funds. (1,305,841)

Total Net Position Of Governmental Activities \$ 177,303,106

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Major Funds				Nonmajor Governmental Funds	Total Governmental Funds
	General	Special Park	Capital Improvements	Westport Plaza TIF		
REVENUES						
Municipal taxes	\$ 20,494,907	5,000,792	2,994,792	1,036,796	1,518,949	31,046,236
Licenses, permits, fines, and fees	2,838,590	-	-	-	-	2,838,590
Charges for services	-	2,158,163	-	-	-	2,158,163
Intergovernmental	360,471	30,000	-	4,327,190	97,502	4,815,163
Investment income	1,358,779	-	-	67,196	10,644	1,436,619
Other	82,547	6,892	22,660	-	-	112,099
Total Revenues	<u>25,135,294</u>	<u>7,195,847</u>	<u>3,017,452</u>	<u>5,431,182</u>	<u>1,627,095</u>	<u>42,406,870</u>
EXPENDITURES						
Current:						
Legislative	179,921	-	-	-	-	179,921
General administration	2,234,573	-	-	-	3,078	2,237,651
Finance and accounting	1,385,796	-	-	-	-	1,385,796
Community development	1,808,105	-	-	6,911,985	1,131,160	9,851,250
Public works	5,173,435	-	-	-	671,840	5,845,275
Police services	10,918,609	-	-	-	100,659	11,019,268
Judicial	347,830	-	-	-	-	347,830
Parks and recreation	537,485	4,582,480	-	-	14,743	5,134,708
Human services	194,440	-	-	-	-	194,440
Capital outlay	673,302	377,493	4,458,393	-	249,143	5,758,331
Debt service:						
Principal	-	-	-	3,376,023	635,000	4,011,023
Interest	-	-	-	1,475,456	340,083	1,815,539
Total Expenditures	<u>23,453,496</u>	<u>4,959,973</u>	<u>4,458,393</u>	<u>11,763,464</u>	<u>3,145,706</u>	<u>47,781,032</u>
REVENUES OVER (UNDER)						
EXPENDITURES	<u>1,681,798</u>	<u>2,235,874</u>	<u>(1,440,941)</u>	<u>(6,332,282)</u>	<u>(1,518,611)</u>	<u>(5,374,162)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	100,000	-	-	-	985,000	1,085,000
Transfers out	-	(1,185,000)	-	-	-	(1,185,000)
Notes issued	-	-	-	6,662,500	-	6,662,500
Insurance proceeds	31,446	-	-	-	-	31,446
Sale of capital assets	151,110	-	-	-	2,450	153,560
Total Other Financing Sources (Uses)	<u>282,556</u>	<u>(1,185,000)</u>	<u>-</u>	<u>6,662,500</u>	<u>987,450</u>	<u>6,747,506</u>
NET CHANGE IN FUND BALANCES	1,964,354	1,050,874	(1,440,941)	330,218	(531,161)	1,373,344
FUND BALANCES, JANUARY 1	<u>29,457,141</u>	<u>6,525,820</u>	<u>8,973,790</u>	<u>3,854,490</u>	<u>4,062,349</u>	<u>52,873,590</u>
FUND BALANCES, DECEMBER 31	<u>\$ 31,421,495</u>	<u>7,576,694</u>	<u>7,532,849</u>	<u>4,184,708</u>	<u>3,531,188</u>	<u>54,246,934</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, 2019

Net Change In Fund Balances - Governmental Funds	\$ 1,373,344
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$5,780,631) exceeded capital outlays over the capitalization threshold (\$3,706,129) in the current period.	(2,074,502)
The net effect of various transactions involving capital assets:	
Cost of disposals, net of accumulated depreciation	(83,783)
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	54,206
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:	
Notes issued	(6,662,500)
Repayments of long-term debt	4,011,023
Amortization of debt premium	5,410
Net Adjustment	(2,646,067)
Compensated absences reported on the statement of activities differs from the amount reported in the governmental funds because the short-term liability is recorded as an expenditure in the funds at year-end, whereas the long-term portion does not require the use of current financial resources:	
Decrease in accrued compensated absences	29,718
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Increase in accrued interest	(23,664)
OPEB expense	(68,596)
Pension expense	1,267,477
	1,267,477
Change In Net Position Of Governmental Activities	\$ (2,171,867)

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF NET POSITION - ENTERPRISE FUND
DECEMBER 31, 2019

	Community Ice Center
ASSETS	
Current Assets	
Cash and investments	\$ 12,516,003
Cash and investments - restricted	3,580,932
Receivables:	
Accounts	437,110
Accrued interest	46,181
Inventory	39,642
Prepays	87,478
Total Current Assets	16,707,346
Noncurrent Assets	
Land and construction in progress	5,085,800
Other capital assets, net of accumulated depreciation	62,478,524
Total Noncurrent Assets	67,564,324
Total Assets	84,271,670
LIABILITIES	
Current Liabilities	
Accounts payable	9,740,793
Accrued expenses	119,904
Accrued wages	23,524
Deferred revenue	414,461
Current maturities of debt payable	500,000
Accrued interest	796,469
Total Current Liabilities	11,595,151
Noncurrent Liabilities	
Debt payable, net	55,246,014
Total Liabilities	66,841,165
NET POSITION	
Net investment in capital assets	19,781,473
Restricted for debt service	3,580,932
Unrestricted	(5,931,900)
Total Net Position	\$ 17,430,505

See notes to financial statements

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Community Ice Center</u>
OPERATING REVENUES	
Private ice rental	\$ 529,538
Ice programs	205,780
Service income	67,988
Concessions, catering and restaraunt	369,083
Naming rights	485,194
Tenant rental and other	283,534
Total Operating Revenues	<u>1,941,117</u>
OPERATING EXPENSES	
Depreciation	854,417
Personnel services	591,922
Food and beverage	540,589
Event services	88,827
Services and supplies	1,284,014
Total Operating Expenses	<u>3,359,769</u>
OPERATING LOSS	<u>(1,418,652)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	922,721
Interest expense	(2,697,568)
Total Nonoperating Revenues (Expenses)	<u>(1,774,847)</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>(3,193,499)</u>
CAPITAL CONTRIBUTIONS	965,253
TRANSFERS IN	<u>100,000</u>
CHANGE IN NET POSITION	(2,128,246)
NET POSITION, JANUARY 1	<u>19,558,751</u>
NET POSITION, DECEMBER 31	<u><u>\$ 17,430,505</u></u>

See notes to financial statements

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Community Ice Center
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities:	
Receipts from customers and users	\$ 1,918,468
Payments to suppliers	(4,260,163)
Payments to employees	(568,398)
Net Cash Used In Operating Activities	(2,910,093)
Cash flows provided by noncapital financing activities:	
Transfers in	100,000
Cash flows from capital and related financing activities:	
Interest paid on bonds	(3,011,411)
Capital contributions	965,253
Construction of capital assets	(44,371,386)
Net Cash Used In Capital And Related Financing Activities	(46,417,544)
Cash flows provided by investing activities:	
Investment income	1,053,469
NET DECREASE IN CASH AND CASH EQUIVALENTS	(48,174,168)
CASH AND CASH EQUIVALENTS, JANUARY 1	64,271,103
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 16,096,935
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (1,418,652)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	854,417
(Increase) decrease in:	
Accounts receivable	(437,110)
Inventory	(39,642)
Prepaid items	(87,478)
Increase (decrease) in:	
Accounts payable	(2,339,517)
Accrued liabilities	119,904
Accrued wages	23,524
Unearned revenue	414,461
Total Adjustments	(1,491,441)
Net Cash Used In Operating Activities	\$ (2,910,093)
Supplemental disclosure of cash flow information:	
Debt financing:	
Construction work-in-progress payable at year-end	\$ 9,489,622

See notes to financial statements

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2019

	Agency Fund	Other Post- employment Benefit Trust Fund
ASSETS		
Cash	\$ 757,170	-
Investments - pooled balanced funds	-	4,185,424
Total Assets	757,170	4,185,424
LIABILITIES		
Accounts payable	3,520	-
Deposits held for others	753,650	-
Total Liabilities	757,170	-
NET POSITION RESTRICTED FOR OPEB	\$ -	4,185,424

CITY OF MARYLAND HEIGHTS, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Other Post- employment Benefit Trust Fund
ADDITIONS	
Investment income (net)	\$ 685,276
DEDUCTIONS	
Benefit payments	<u>53,206</u>
CHANGE IN NET POSITION	632,070
NET POSITION RESTRICTED FOR OPEB, JANUARY 1	<u>3,553,354</u>
NET POSITION RESTRICTED FOR OPEB, DECEMBER 31	<u><u>\$ 4,185,424</u></u>

CITY OF MARYLAND HEIGHTS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope for the reporting entity are based on the applicable GASB requirements. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component units' Board or because the component unit will provide a financial benefit or impose a financial burden on the City. Based on these criteria, the City has determined that its financial reporting entity consists of the City (the primary government) and the Industrial Development Authority of the City of Maryland Heights (IDA) (blended component unit).

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

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and trust fund financial statements. 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 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.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund 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.

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

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

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

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. 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 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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fund Balance Classification and Policies (Continued)

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

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts in the following order: restricted, committed, assigned, and then unassigned. The City's policy is to maintain expenditure increases at a moderate growth rate, and to limit expenditures to anticipated revenue 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 and Special Park Fund.
- This amount provides the liquidity necessary to accommodate the City's uneven cash flow, which is inherent as revenue recognition precedes receipt and grant funds are on a reimbursement basis.
- This amount provides the liquidity to respond to unanticipated revenue shortfalls. Since about one-fourth of City revenue is derived from one source (gaming tax) which is subject to uncontrollable market and regulatory factors, the fund balance should be maintained at a higher level than otherwise would be considered.
- 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 dur-

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Encumbrances (Continued)

ing the subsequent year. Encumbrances for the General, Capital Improvements, Special Park, and Nonmajor Special Revenue Funds amounted to \$156,844, \$949,203, \$319,222, and \$2,047 respectively, at December 31, 2019.

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 and OPEB plans reported on the government-wide statement of net position.

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 plan 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.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2019, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of December 31, 2019, the City had the following investments:

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Investments	Fair Value	Maturities				Credit Risk
		No Maturity	Less Than One Year	1 - 5 Years	More Than 5 Years	
Governmental Funds						
Federal Agency notes:						
Federal Home Loan Bank	\$ 3,010,210	-	2,011,190	999,020	-	AA
Federal Farm Credit Bank	10,545,094	-	2,999,370	7,545,724	-	AA
Federal Home Loan Mortgage Corporation	7,011,610	-	2,000,980	5,010,630	-	AA
Federal National Mortgage Association	3,913,966	-	2,916,616	997,350	-	AA
Total Federal Agency Notes	24,480,880	-	9,928,156	14,552,724	-	
Repurchase agreement	7,513,000	-	7,513,000	-	-	AA
Certificate of deposit	13,724,000	-	5,390,000	8,334,000	-	N/A
Money market funds	3,062,106	-	3,062,106	-	-	AA
MOSIP	3,215,948	3,215,948	-	-	-	AAA
Total Governmental Funds	51,995,934	3,215,948	25,893,262	22,886,724	-	
Enterprise Funds						
U.S. Treasury bills	6,496,815	-	6,496,815	-	-	AAA
U.S. Treasury notes	4,265,564	-	2,354,648	1,910,916	-	AAA
Money market funds	4,550,575	4,550,575	-	-	-	N/A
Total Enterprise Funds	15,312,954	4,550,575	8,851,463	1,910,916	-	
Fiduciary Funds						
Mutual Funds:						
Domestic equity	2,017,374	2,017,374	-	-	-	N/A
International equity	552,476	552,476	-	-	-	N/A
Domestic fixed income	1,469,084	1,469,084	-	-	-	N/A
International fixed income	146,490	146,490	-	-	-	N/A
Total Fiduciary Funds	4,185,424	4,185,424	-	-	-	
Grand Total Investments	\$ 71,494,312	11,951,947	34,744,725	24,797,640	-	

Investment Policies

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

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

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, 2019, the City had the following investment concentrations.

Investments	Fair Value	Percent Of Total Investments
Governmental Funds		
Certificates of deposit - certain banks greater than 5%	\$ 13,724,000	20.4%
Federal Farm Credit Bank	10,545,094	15.7
Repurchase Agreement	7,513,000	11.2
Federal Home Loan Mortgage Corporation	7,011,610	10.4
Federal National Mortgage Association	3,913,966	5.8
Enterprise Funds		
Money market Funds	4,550,575	6.8

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).

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

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

3. Fair Value Measurements

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Fair Value Measurements (Continued)

	<u>Total</u>	<u>December 31, 2019</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
Governmental Funds				
MOSIP	\$ 3,215,948	-	3,215,948	-
Government securities:				
Federal Farm Credit Bank	10,545,094	-	10,545,094	-
Federal Home Loan Bank	3,010,210	-	3,010,210	-
Federal Home Loan Mortgage Corporation	7,011,610	-	7,011,610	-
Federal National Mortgage Association	3,913,966	-	3,913,966	-
Total Governmental Funds	<u>27,696,828</u>	<u>-</u>	<u>27,696,828</u>	<u>-</u>
Enterprise Funds				
Governmental securities:				
U.S. Treasury notes	4,265,564	4,265,564	-	-
U.S. Treasury bills	6,496,815	6,496,815	-	-
Total Enterprise Funds	<u>10,762,379</u>	<u>10,762,379</u>	<u>-</u>	<u>-</u>
Fiduciary Funds				
Mutual Funds:				
Domestic equity	2,017,374	2,017,374	-	-
International equity	552,476	552,476	-	-
Domestic fixed income	1,469,084	-	1,469,084	-
International fixed income	146,490	-	146,490	-
Total Fiduciary Funds	<u>4,185,424</u>	<u>2,569,850</u>	<u>1,615,574</u>	<u>-</u>
Total Investments By Fair Value Level	<u>42,644,631</u>	<u>13,332,229</u>	<u>29,312,402</u>	<u>-</u>
Investments not subject to fair value level classification:				
Governmental Funds				
Certificates of deposit	13,724,000			
Money market funds	3,062,106			
Repurchase agreement	7,513,000			
Total Governmental Funds	<u>24,299,106</u>			
Enterprise Funds				
Money market funds	<u>4,550,575</u>			
Total Investments Not Subject To Fair Value	<u>28,849,681</u>			
Total Primary Government Investments	<u>\$ 71,494,312</u>			

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

	For The Year Ended December 31, 2019			
	Balance December 31 2018	Increases	Decreases	Balance December 31 2019
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 7,746,365	-	-	7,746,365
Right-of-way	22,415,793	21,625	-	22,437,418
Nondepreciable components of streets	13,224,831	87,742	-	13,312,573
Construction in progress	1,299,144	863,855	783,733	1,379,266
Total Capital Assets Not Being Depreciated	44,686,133	973,222	783,733	44,875,622
Capital assets being depreciated:				
Buildings	48,918,860	230,815	-	49,149,675
Other improvements	20,940,502	65,574	-	21,006,076
Machinery and equipment	5,576,638	414,634	370,560	5,620,712
Software	143,112	-	-	143,112
Automobiles and trucks	4,495,524	396,234	466,283	4,425,475
Infrastructure	110,628,901	2,409,383	-	113,038,284
Total Capital Assets Being Depreciated	190,703,537	3,516,640	836,843	193,383,334
Less - Accumulated depreciation for:				
Buildings	7,227,968	1,262,369	-	8,490,337
Other improvements	10,507,108	704,480	-	11,211,588
Machinery and equipment	3,745,784	254,630	368,295	3,632,119
Software	95,508	7,437	-	102,945
Automobiles and trucks	2,620,607	429,711	384,765	2,665,553
Infrastructure	54,444,642	3,122,004	-	57,566,646
Total Accumulated Depre- ciation	78,641,617	5,780,631	753,060	83,669,188
Total Capital Assets Being Depreciated, Net	112,061,920	(2,263,991)	83,783	109,714,146
Total Capital Assets, Net	<u>\$ 156,748,053</u>	<u>(1,290,769)</u>	<u>867,516</u>	<u>154,589,768</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

For The Year Ended December 31, 2019

	<u>Balance December 31 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31 2019</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ -	2,751,998	-	2,751,998
Construction in progress	14,557,733	2,333,802	14,557,733	2,333,802
Total Capital Assets Not Being Depreciated	<u>\$ 14,557,733</u>	<u>5,085,800</u>	<u>14,557,733</u>	<u>5,085,800</u>
Capital assets being depreciated:				
Buildings	-	57,635,906	-	57,635,906
Land improvements	-	4,489,402	-	4,489,402
Machinery and equipment	-	1,207,633	-	1,207,633
Total Capital Assets Being Depreciated	<u>-</u>	<u>63,332,941</u>	<u>-</u>	<u>63,332,941</u>
Less - Accumulated depreciation for:				
Buildings	-	754,304	-	754,304
Land improvements	-	59,859	-	59,859
Machinery and equipment	-	40,254	-	40,254
Total Accumulated Depre- ciation	<u>-</u>	<u>854,417</u>	<u>-</u>	<u>854,417</u>
Total Capital Assets Being Depreciated, Net	<u>-</u>	<u>62,478,524</u>	<u>-</u>	<u>62,478,524</u>
Total Capital Assets, Net	<u>\$ 14,557,733</u>	<u>67,564,324</u>	<u>14,557,733</u>	<u>67,564,324</u>

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

	<u>For The Year Ended December 31 2019</u>
Governmental Activities	
General administration	\$ 439,621
Finance and accounting	38,478
Community development	15,659
Public works	3,861,556
Police services	228,322
Parks and recreation	1,196,995
Total	<u>\$ 5,780,631</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - INTERFUND BALANCES

During the normal course of business, the City has numerous transactions between funds. The outstanding balances at December 31, 2019 is to eliminate a negative cash balance within a fund. The following is a reconciliation of internal receivables and payables:

	December 31, 2019	
	Receivable Fund	Payable Fund
General Fund	\$ 62,240	-
Nonmajor funds	-	62,240
Total	\$ 62,240	62,240

NOTE E - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

	Transfers In				Total
	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Community Ice Center	
Transfers out:					
Special Park Fund (1)	\$ 100,000	-	985,000	100,000	1,185,000

Interfund transfers were used to move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them

NOTE F - LONG-TERM DEBT

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

	For The Year Ended December 31, 2019			Balance December 31 2019	Amounts Due Within One Year
	Balance December 31 2018	Additions	Reductions		
Governmental Activities					
Certificates of Participation Series 2015	\$ 13,165,000	-	635,000	12,530,000	650,000
Tax Increment Notes, Series 2018B	19,200,000	6,662,500	3,376,023	22,486,477	3,300,000
Certificates of Participation Premium	87,917	-	5,410	82,507	-
Compensated absences payable	1,335,559	956,764	986,482	1,305,841	986,482
Total	\$ 33,788,476	7,619,264	5,002,915	36,404,825	4,936,482

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

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

	For The Year Ended December 31, 2019			Amounts Due Within One Year
	Balance December 31 2018	Additions	Reductions	
	Balance December 31 2019			
Business-type Activities				
IDA Revenue Bonds:				
Series 2018A	\$ 50,150,000	-	-	50,150,000
Series 2018B	5,400,000	-	-	-
Premiums - IDA Revenue Bonds	203,482	-	7,468	-
Total	<u>\$ 55,753,482</u>	<u>-</u>	<u>7,468</u>	<u>50,000</u>

Certificates of Participation

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

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

Annual debt service requirements are as follows:

For The Years Ending December 31	Principal	Interest	Total
2020	\$ 650,000	327,232	977,232
2021	665,000	314,082	979,082
2022	675,000	300,682	975,682
2023	690,000	286,860	976,860
2024	705,000	271,856	976,856
2025 - 2029	3,800,000	1,085,660	4,885,660
2030 - 2034	4,385,000	497,517	4,882,517
2035	960,000	15,120	975,120
Total	<u>\$ 12,530,000</u>	<u>3,099,009</u>	<u>15,629,009</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

Tax Increment Notes

The tax increment notes are issued by the City, pursuant to trust indentures. The notes are special, limited obligations of the City, payable solely from certain pledged revenues, other monies pledged, and applicable guaranties. The application of economic activity tax revenues to the payment of the notes are subject to annual appropriation by the City.

The notes 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 notes. The issuance of the notes shall not, directly, indirectly, or contingently, obligate the City, the State, or any political subdivision thereof to levy any form of taxation therefore or to make any appropriation for their payment.

In November 2018, the City issued tax increment refunding revenue notes, Series 2018B, in the amount of \$19,200,000 with a total amount authorized of \$25,862,500, 7%, payable in variable amounts through 2038. In February 2019, additional notes totaling \$6,662,500 were issued. The notes are secured by a security interest as provided by the agreement. In general, the terms of the notes include that if an event of default occurs, an acceleration of the maturity of principal may occur. In addition, the terms of the debt have certain optional redemption provisions which allow the City to redeem the debt.

The City has pledged a portion of future sales tax revenues to repay the tax increment revenue debt. This debt is payable solely from the incremental sales tax revenue generated by increased retail sales in the redevelopment area. Incremental tax revenues were projected to produce 100% of the debt service requirements over the life of the debt. For the current year \$4,851,479 of principal and interest was paid on this debt and total incremental tax revenues were \$1,036,796.

IDA Revenue Bonds

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

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

Among the requirements under the financing agreement, the City has agreed to transfer to the bond trustee, subject to annual appropriation by the City Council, an amount sufficient to replenish any draw on the series 2018A reserve account, but not to exceed \$625,000 per year.

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>
2020	\$ 500,000	2,719,813	3,219,813
2021	845,000	2,690,391	3,535,391
2022	635,000	2,657,731	3,292,731
2023	710,000	2,627,741	3,337,741
2024	820,000	2,593,616	3,413,616
2025 - 2029	5,820,000	12,278,361	18,098,361
2030 - 2034	7,435,000	10,704,155	18,139,155
2035 - 2039	9,440,000	8,599,563	18,039,563
2040 - 2044	12,080,000	5,905,149	17,985,149
2045 - 2049	17,265,000	2,481,775	19,746,775
Total	<u>\$ 55,550,000</u>	<u>53,258,295</u>	<u>108,808,295</u>

NOTE G - PENSION PLAN

Plan Description

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

Benefits Provided

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

	2019 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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	69
Inactive employees entitled to but not yet receiving benefits	37
Active employees	<u>186</u>
Total	<u>292</u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 11.8% (General) and 13.7% (Police) of annual covered payroll.

Net Pension Liability (Asset)

The City’s net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions

The total pension liability in the February 28, 2019 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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

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, 2019 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-term Expected Real Rate Of Return</u>
Alpha	15.00 %	3.67 %
Equity	35.00	4.78
Fixed income	31.00	1.41
Real assets	36.00	3.29
Strategic assets	8.00	5.25
Cash	10.00	-
Leverage	(35.00)	(0.51)

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.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2018	\$ 42,313,137	43,884,457	(1,571,320)
Changes for the year			
Service cost	1,511,236	-	1,511,236
Interest	3,083,384	-	3,083,384
Difference between expected and actual experience	542,581	-	542,581
Contributions - employer	-	1,968,591	(1,968,591)
Net investment income	-	3,075,913	(3,075,913)
Benefit payments, including refunds	(1,070,948)	(1,070,948)	-
Administrative expense	-	(34,548)	34,548
Other changes	-	876,683	(876,683)
Net Changes	<u>4,066,253</u>	<u>4,815,691</u>	<u>(749,438)</u>
Balances at June 30, 2019	<u>\$ 46,379,390</u>	<u>48,700,148</u>	<u>(2,320,758)</u>

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

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

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net pension liability (asset)	<u>\$ 4,887,741</u>	<u>(2,320,758)</u>	<u>(8,266,027)</u>

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

For the year ended December 31, 2019, the City recognized pension expense of \$691,135. Reported deferred outflows and inflows of resources are related to pensions from the following sources:

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - PENSION PLAN (Continued)

	Outflows	Inflows	Net Outflows
Differences in experience	\$ 718,281	(812,770)	(94,489)
Assumption changes	963,525	(289,757)	673,768
Excess (deficit) investment returns	-	(1,258,735)	(1,258,735)
Contributions subsequent to the measurement date*	869,043	-	869,043
Total	\$ 2,550,849	(2,361,262)	189,587

*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 (asset) for the next fiscal year.

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

For The Plan Years Ending June 30			
2020			\$ (133,796)
2021			(623,755)
2022			(286,528)
2023			120,282
2024			125,687
Thereafter			118,654
Total			\$ (679,456)

NOTE H - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

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

Benefits Provided

The Plan provides post-retirement healthcare benefits to eligible employees. The Plan provides medical and prescription benefits to eligible employees and their spouses.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

Employees Covered by Benefit Terms

At December 31, 2019, the following employees were covered by the benefit terms:

Retired employees or beneficiaries	6
Active employees - not fully eligible	161
Active employees - fully eligible	<u>31</u>
 Total	 <u>198</u>

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2019, and was determined by an actuarial valuation date as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.5%
Salary increase	3% including inflation
Discount rate	5.75%
Healthcare cost trend rates	6.0% for 2019, decreasing to an ultimate rate of 4.5% for 2022 and later years

The discount rate was based on the City's assets and calculation of actuarially determined contribution as of December 31, 2019.

Mortality rates were based on the RP-2014 generational table scaled using MP-17 and applied on a gender specific basis.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

Changes in the Total OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at January 1, 2019	\$ 2,865,693	3,553,354	(687,661)
Changes for the year			
Service cost	113,960	-	113,960
Interest cost	167,711	-	167,711
Net investment income	-	685,275	(685,275)
Benefit payments, including refunds	(53,206)	(53,206)	-
Net Changes	<u>228,465</u>	<u>632,069</u>	<u>(403,604)</u>
Balances at December 31, 2019	<u>\$ 3,094,158</u>	<u>4,185,423</u>	<u>(1,091,265)</u>

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

The following presents the net OPEB liability (asset) of the City, calculated using the discount rate of 5.75%, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1% point lower (4.75%) or 1% point higher (6.75%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	<u>(\$ 744,000)</u>	<u>(1,091,265)</u>	<u>(1,475,000)</u>

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

The following presents the net OPEB liability (asset) of the City, calculated using the healthcare cost trend rates of 6.5% decreasing to 4.5%, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1% point lower (5.5% decreasing to 3.5%) or 1% point higher (7.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	<u>(\$ 1,770,000)</u>	<u>(1,091,265)</u>	<u>(580,000)</u>

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

For the year ended December 31, 2019, the City recognized OPEB expense of \$68,595. Deferred outflows and inflows of resources related to OPEB are from the following sources:

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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

	Deferred Outflows Of Resources	Deferred Inflows Of Resources	Net
Net difference between projected and actual investments	\$ 258,629	(385,990)	(127,361)

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

For The Years Ending December 31		
2020		\$ (10,288)
2021		(10,288)
2022		(10,288)
2023		(96,497)
Total		\$ (127,361)

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 2019.

NOTE J - DEFERRED COMPENSATION PLAN

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

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

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 - TAX ABATEMENT AGREEMENTS

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

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

The City has established separate special revenue funds to account for each TIF. In 2019, 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>
Dorsett Road	\$ -
Westport Plaza	60,296

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE M - CONDUIT DEBT OBLIGATIONS

The City issued industrial revenue bonds during 2019 to provide financial assistance to a company within the City for the purpose of acquiring and equipping a facility deemed to be in the public interest. These bonds are secured by the property financed and are payable solely out of the rents, revenues and receipts derived by the City from the project and the related lease. Upon repayment of these bonds, ownership of the related assets transfers to the company served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. The bonds are structured to pay the principal balance at maturity, December 1, 2033. At December 31, 2019, the total authorized amount is \$15,000,000 and the amount outstanding was \$665,547.

NOTE N - COMMITMENTS AND CONTINGENCIES

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

The City has committed approximately \$652,669 for construction and related infrastructure for the Community Ice Center.

There is an operating agreement with a company, dated March 1, 2019 which provides for the operation and maintenance services the Community Ice Center. For the year ended December 31, 2019, the amount of expense for this agreement was \$64,835. In addition, the terms of the agreement contain termination clauses that may require either party to pay amounts to be calculated in accordance with the agreement.

NOTE O - RESTATEMENT OF FUND BALANCE

The previously stated General Fund fund balance has been restated as follows:

	<u>General Fund</u>
Fund balance, December 31, 2018, as previously reported	\$ 29,444,223
South Heights TIF closed into General Fund	<u>12,918</u>
Fund Balance, December 31, 2018, As restated	<u>\$ 29,457,141</u>

NOTE P - RESTRICTED NET POSITION

The government-wide statement of net position reports \$9,203,476 of restricted net position, of which \$5,593,734 is restricted by enabling legislation.

CITY OF MARYLAND HEIGHTS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE Q - SUBSEQUENT EVENTS

In February 2020, the City issued \$45,000,000 of industrial revenue bonds for the Flatts at Dorsett project.

In 2020, the City transferred \$5.1 million from the General Fund to the Community Ice Center Fund to provide for enhancements to the facility, specifically the Rink #4 outdoor amphitheater.

A significant portion of the City's pension assets are investments which include securities that are subject to market fluctuations. The market conditions deteriorated significantly subsequent to the City's December 31, 2019 year end.

In addition, the amount of tax collections after year end could be significantly affected by the COVID-19 pandemic due to economic slowdown issues. Other financial impacts could also occur though such potential impacts are unknown at this time.

NOTE R - FUTURE ACCOUNTING PRONOUNCEMENT

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

- GASB Statement No. 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, 2019. Earlier application is encouraged.
- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after July 15, 2021. Earlier application is encouraged.

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Municipal Taxes				
Gaming	\$ 7,000,000	6,800,000	6,987,848	187,848
Utilities gross receipts	5,095,000	5,000,000	5,034,412	34,412
Sales tax	4,750,000	4,750,000	4,728,488	(21,512)
Sales tax - public safety	1,400,000	1,500,000	1,516,401	16,401
Cigarette	60,000	60,000	56,668	(3,332)
Gasoline and motor vehicle tax	1,080,000	1,090,000	1,121,158	31,158
County road refund	950,000	950,000	1,049,932	99,932
Total Municipal Taxes	<u>20,335,000</u>	<u>20,150,000</u>	<u>20,494,907</u>	<u>344,907</u>
Licenses, Permits, Fines, and Fees				
Court fines and fees	1,300,000	1,000,000	988,628	(11,372)
Merchant licenses	600,000	600,000	601,060	1,060
Charges for services	1,080,000	1,069,000	917,968	(151,032)
Cable TV franchise	350,000	350,000	330,934	(19,066)
Total Licenses, Permits, Fines, And Fees	<u>3,330,000</u>	<u>3,019,000</u>	<u>2,838,590</u>	<u>(180,410)</u>
Intergovernmental	<u>463,200</u>	<u>383,200</u>	<u>360,471</u>	<u>(22,729)</u>
Investment Income	<u>550,000</u>	<u>800,000</u>	<u>1,088,586</u>	<u>288,586</u>
Other				
Miscellaneous	60,000	150,000	98,312	(51,688)
Total Revenues	<u>24,738,200</u>	<u>24,502,200</u>	<u>24,880,866</u>	<u>378,666</u>
EXPENDITURES				
Legislative				
Mayor's office	28,235	36,235	36,239	4
City council	138,140	144,140	143,682	(458)
Total Legislative	<u>166,375</u>	<u>180,375</u>	<u>179,921</u>	<u>(454)</u>
General Administration				
City clerk	405,678	400,678	387,674	(13,004)
Legal services	310,573	340,573	340,386	(187)
City administrator's office	399,364	378,364	377,878	(486)
Human resources	337,176	352,176	350,569	(1,607)

(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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
EXPENDITURES (Continued)				
General Administration (Continued)				
Communications	324,643	256,643	246,756	(9,887)
Central services	91,675	91,675	89,988	(1,687)
Risk management	445,000	442,000	441,322	(678)
Total General Administration	<u>2,314,109</u>	<u>2,262,109</u>	<u>2,234,573</u>	<u>(27,536)</u>
Finance and Accounting				
Finance	535,792	495,792	483,780	(12,012)
Geographic information services	175,014	175,014	171,902	(3,112)
Information technology	868,799	868,799	759,167	(109,632)
Total Finance And Accounting	<u>1,579,605</u>	<u>1,539,605</u>	<u>1,414,849</u>	<u>(124,756)</u>
Community Development				
Community development administration	364,785	364,785	339,722	(25,063)
Inspections	1,429,134	1,381,134	1,326,978	(54,156)
Economic development	137,003	137,003	141,405	4,402
Total Community Development	<u>1,930,922</u>	<u>1,882,922</u>	<u>1,808,105</u>	<u>(74,817)</u>
Public Works				
Administration and engineering	408,908	408,908	392,462	(16,446)
Roads and bridges	1,902,911	1,896,911	1,811,977	(84,934)
Trash hauling	1,942,579	2,047,579	2,045,127	(2,452)
Vehicle and equipment maintenance	522,406	522,406	501,034	(21,372)
Storm water	594,592	600,592	599,928	(664)
Total Public Works	<u>5,371,396</u>	<u>5,476,396</u>	<u>5,350,528</u>	<u>(125,868)</u>
Police Services				
Police administration	492,466	492,466	488,203	(4,263)
Patrol	6,599,873	6,479,873	6,205,186	(274,687)
Investigations	1,682,355	1,657,355	1,636,300	(21,055)
Communications	1,049,436	1,079,436	1,059,260	(20,176)
Community services	1,014,735	1,014,735	925,551	(89,184)
Community response unit	1,103,188	1,043,188	942,120	(101,068)
Police records	195,102	195,102	181,435	(13,667)
Total Police Services	<u>12,137,155</u>	<u>11,962,155</u>	<u>11,438,055</u>	<u>(524,100)</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, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued)				
Judicial				
Municipal court	440,092	385,092	347,830	(37,262)
Parks and Recreation				
Government center maintenance	602,257	602,257	527,669	(74,588)
Human Services				
Total Expenditures	225,000	219,000	194,440	(24,560)
	24,766,911	24,509,911	23,495,970	(1,013,941)
REVENUES OVER (UNDER)				
EXPENDITURES				
	(28,711)	(7,711)	1,384,896	1,392,607
OTHER FINANCING SOURCES				
(USES)				
Transfers in	100,000	100,000	100,000	-
Transfer out	-	(3,500,000)	-	3,500,000
Insurance reimbursements	-	36,000	31,446	(4,554)
Sale of capital assets	-	-	151,110	151,110
Total Other Financing Sources (Uses)	100,000	(3,364,000)	282,556	3,646,556
NET CHANGE IN FUND BALANCE				
	\$ 71,289	(3,371,711)	1,667,452	5,039,163
FUND BALANCE, JANUARY 1			29,577,400	
FUND BALANCE, DECEMBER 31			\$ 31,244,852	

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, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Municipal taxes:				
Sales	\$ 4,700,000	4,800,000	5,000,792	200,792
Charges for services	2,086,300	2,066,300	2,176,763	110,463
Intergovernmental	250,000	250,000	30,000	(220,000)
Other	-	-	7,392	7,392
Total Revenues	7,036,300	7,116,300	7,214,947	98,647
EXPENDITURES				
Parks and Recreation				
Park administration	170,901	206,901	206,277	(624)
Recreation	2,641,839	2,641,839	2,314,783	(327,056)
Community Center maintenance	910,591	910,591	816,170	(94,421)
Aquaport	615,378	579,378	477,084	(102,294)
Park maintenance	846,239	846,239	703,201	(143,038)
Park capital project	1,150,000	1,150,000	692,006	(457,994)
Total Expenditures	6,334,948	6,334,948	5,209,521	(1,125,427)
REVENUES OVER EXPENDITURES	701,352	781,352	2,005,426	1,224,074
OTHER FINANCING USES				
Transfers out	(1,085,000)	(1,085,000)	(1,185,000)	100,000
NET CHANGE IN FUND BALANCE	\$ (383,648)	(303,648)	820,426	1,124,074
FUND BALANCE, JANUARY 1			6,437,046	
FUND BALANCE, DECEMBER 31			\$ 7,257,472	

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - WESTPORT PLAZA TIF
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Municipal taxes	\$ -	2,750,000	1,036,796	(1,713,204)
Intergovernmental	-	3,950,000	4,327,190	377,190
Investment income	-	-	67,196	67,196
Total Revenues	-	6,700,000	5,431,182	(1,268,818)
EXPENDITURES				
Economic development	-	6,950,000	6,911,985	(38,015)
Debt service:				
Principal	-	5,000,000	3,376,023	(1,623,977)
Interest	-	1,500,000	1,475,456	(24,544)
Total Expenditures	-	13,450,000	11,763,464	(1,686,536)
REVENUES UNDER EXPENDI- TURES	-	(6,750,000)	(6,332,282)	417,718
OTHER FINANCING SOURCES				
Notes issued	-	6,662,500	6,662,500	-
NET CHANGE IN FUND BALANCE	\$ -	(87,500)	330,218	417,718
FUND BALANCE, JANUARY 1			3,854,490	
FUND BALANCE, DECEMBER 31			\$ 4,184,708	

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY BASIS OF ACCOUNTING
FOR THE YEAR ENDED DECEMBER 31, 2019

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

	Governmental Fund Types			
	General	Special Park	Capital Improvements	Nonmajor
Fund balances:				
GAAP basis	\$ 31,421,495	7,576,694	7,532,849	3,531,188
Encumbrances outstanding at:				
December 31, 2019	(156,844)	(319,222)	(949,203)	(2,047)
Investments, FMV adjustment	(19,799)	-	-	-
Budget Basis	<u>\$ 31,244,852</u>	<u>7,257,472</u>	<u>6,583,646</u>	<u>3,529,141</u>
Net change in fund balances:				
GAAP basis	\$ 1,964,354	1,050,874	(1,440,941)	(531,161)
Encumbrances outstanding at:				
December 31, 2018	130,135	88,774	720,182	13,368
December 31, 2019	(156,844)	(319,222)	(949,203)	(2,047)
Investment, FMV adjustment	(270,193)	-	-	-
Budget Basis	<u>\$ 1,667,452</u>	<u>820,426</u>	<u>(1,669,962)</u>	<u>(519,840)</u>

CITY OF MARYLAND HEIGHTS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
BUDGETARY DATA
FOR THE YEAR ENDED DECEMBER 31, 2019

EXPLANATION OF BUDGETARY PROCESS

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

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

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

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

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

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

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability					
Service cost	\$ 1,511,236	1,465,806	1,494,988	1,456,520	1,483,439
Interest on total pension liability	3,083,384	2,819,289	2,617,949	2,273,295	2,138,745
Difference between expected and actual experience	542,581	312,342	(483,015)	19,656	(1,325,737)
Assumption changes	-	-	(508,187)	2,020,765	-
Benefit payments, including refunds	<u>(1,070,948)</u>	<u>(886,417)</u>	<u>(697,630)</u>	<u>(456,978)</u>	<u>(398,782)</u>
Net Change In Total Pension Liability	4,066,253	3,711,020	2,424,105	5,313,258	1,897,665
Total Pension Liability Beginning	<u>42,313,137</u>	<u>38,602,117</u>	<u>36,178,012</u>	<u>30,864,754</u>	<u>28,967,089</u>
Total Pension Liability Ending (a)	<u>\$ 46,379,390</u>	<u>42,313,137</u>	<u>38,602,117</u>	<u>36,178,012</u>	<u>30,864,754</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 1,968,591	1,712,322	1,700,243	1,698,491	1,766,469
Contributions - employee	-	73,516	-	-	-
Net investment income	3,075,913	4,818,840	4,103,673	(115,726)	580,792
Benefit payments, including refunds	(1,070,948)	(886,417)	(697,630)	(456,978)	(398,782)
Administrative expense	(34,548)	(23,311)	(22,002)	(21,209)	(22,744)
Other changes	<u>876,683</u>	<u>(58,596)</u>	<u>476,721</u>	<u>(23,276)</u>	<u>1,050,917</u>
Net Change In Plan Fiduciary Net Position	4,815,691	5,636,354	5,561,005	1,081,302	2,976,652
Plan Fiduciary Net Position Beginning	<u>43,884,457</u>	<u>38,248,103</u>	<u>32,687,098</u>	<u>31,605,796</u>	<u>28,629,144</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 48,700,148</u>	<u>43,884,457</u>	<u>38,248,103</u>	<u>32,687,098</u>	<u>31,605,796</u>
Net Pension Liability (Asset) Ending (a)-(b)	<u>\$ (2,320,758)</u>	<u>(1,571,320)</u>	<u>354,014</u>	<u>3,490,914</u>	<u>(741,042)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	105.00 %	103.71	99.08	90.35	102.40
Covered Payroll (for February 28/29 Valuation)	\$ 13,183,394	12,978,819	12,495,862	12,799,784	12,721,041
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(17.60) %	(12.11)	2.83	27.27	(5.83)

Notes:

Information is not available for fiscal years prior to 2015.

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

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

	For The Years Ended June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined pension contribution	\$ 1,708,613	1,737,733	1,690,831	1,604,465	1,823,010	1,784,951	1,758,417	1,803,059	1,733,476	1,791,337
Contributions in relation to the actuarially determined contribution	<u>1,708,613</u>	<u>1,737,734</u>	<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>
Contribution Deficiency	<u>\$ -</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>24,298</u>
Covered Payroll	\$ 13,476,533	13,217,544	12,653,345	12,891,291	13,262,272	12,456,567	12,122,764	12,191,005	11,912,688	12,149,139
Contributions as a Percentage of Covered Payroll	12.68 %	13.15	13.36	12.45	13.75	14.33	14.51	14.79	14.55	14.54

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 15 to 19 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.

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

	2019	2018
Total OPEB Liability		
Service cost	\$ 113,960	107,764
Interest on total OPEB liability	167,711	154,731
Benefit payments	(53,206)	(39,975)
Net Change In Total OPEB Liability	228,465	222,520
Total OPEB Liability Beginning	2,865,693	2,643,173
Total OPEB Liability Ending (a)	\$ 3,094,158	2,865,693
Plan Fiduciary Net Position		
Net investment income	\$ 685,275	(213,316)
Benefit payments, including refunds	(53,206)	(39,975)
Net Change In Plan Fiduciary Net Position	632,069	(253,291)
Plan Fiduciary Net Position Beginning	3,553,354	3,806,645
Plan Fiduciary Net Position Ending (b)	\$ 4,185,423	3,553,354
Net OPEB Liability (Asset) Ending (a)-(b)	\$ (1,091,265)	(687,661)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	135.27 %	124.00
Covered Payroll	\$ 13,495,000	13,039,071
Net OPEB Liability (Asset) as a Percentage of Covered Payroll	(8.09) %	(5.27)

Notes:

Information is not available for fiscal years prior to 2018.

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

	2019	2018
Schedule of OPEB Contributions		
Actuarially determined OPEB contributions	\$ 74,141	41,119
Contributions in relation to the actuarially determined contributions	(53,206)	(39,975)
Contribution Deficiency (Excess)	\$ 20,935	1,144
Covered Payroll	\$ 13,495,000	13,039,071
Contributions as a Percentage of Covered Payroll	0.39 %	0.31
Annual Money-Weighted Rate of Return, Net of Investment Expenses	19.3 %	(5.6)

OTHER SUPPLEMENTAL INFORMATION SECTION

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

DEBT SERVICES FUNDS

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

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR FUNDS
DECEMBER 31, 2019

	Street- light	Tourism Tax	Police Forfeitures	Sewer Lateral	Police Training	Beautifi- cation
ASSETS						
Cash and investments	\$ 2,092,188	-	357,071	747,379	33,581	33,132
Cash and investments - restricted	-	-	-	-	-	-
Accounts receivable:						
Municipal taxes	76,983	79,957	-	89,190	-	-
Total Assets	\$ 2,169,171	79,957	357,071	836,569	33,581	33,132
 LIABILITIES						
Accounts payable	\$ 36,112	-	126	22,577	-	1,050
Due to other funds	-	62,240	-	-	-	-
Unearned revenue	1,292	-	-	-	-	-
Total Liabilities	37,404	62,240	126	22,577	-	1,050
 DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	38,415	-	-	-	-	-
 FUND BALANCES						
Restricted for:						
Debt service	-	-	-	-	-	-
Police forfeitures	-	-	356,945	-	-	-
Sewer lateral	-	-	-	813,992	-	-
Police training	-	-	-	-	33,581	-
Beautification	-	-	-	-	-	32,082
Tax increment funds	-	-	-	-	-	-
Tourism tax	-	17,717	-	-	-	-
Committed for:						
Streetlighting	2,093,352	-	-	-	-	-
Total Fund Balances	2,093,352	17,717	356,945	813,992	33,581	32,082
 Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	\$ 2,169,171	79,957	357,071	836,569	33,581	33,132

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR FUNDS (Continued)
DECEMBER 31, 2019

	Dorsett TIF	Special Revenue Total	Community Center Debt Service	Total
ASSETS				
Cash and investments	14,958	3,278,309	28,682	3,306,991
Cash and investments - restricted	-	-	128	128
Accounts receivable:				
Municipal taxes	167,097	413,227	-	413,227
Total Assets	182,055	3,691,536	28,810	3,720,346
LIABILITIES				
Accounts payable	27,346	87,211	-	87,211
Due to other funds	-	62,240	-	62,240
Unearned revenue	-	1,292	-	1,292
Total Liabilities	27,346	150,743	-	150,743
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	38,415	-	38,415
FUND BALANCES				
Restricted for:				
Debt service	-	-	28,810	28,810
Police forfeitures	-	356,945	-	356,945
Sewer lateral	-	813,992	-	813,992
Police training	-	33,581	-	33,581
Beautification	-	32,082	-	32,082
Tax increment funds	154,709	154,709	-	154,709
Tourism tax	-	17,717	-	17,717
Committed for:				
Streetlighting	-	2,093,352	-	2,093,352
Total Fund Balances	154,709	3,502,378	28,810	3,531,188
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	182,055	3,691,536	28,810	3,720,346

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, 2019

	<u>Street- light</u>	<u>Tourism Tax</u>	<u>Police Forfeitures</u>	<u>Sewer Lateral</u>	<u>Police Training</u>	<u>Beautifi- cation</u>
REVENUES						
Municipal taxes	\$ 503,441	367,717	-	374,853	-	11,176
Intergovernmental	-	-	91,937	-	5,565	-
Investment income	-	-	9,792	-	-	-
Total Revenues	<u>503,441</u>	<u>367,717</u>	<u>101,729</u>	<u>374,853</u>	<u>5,565</u>	<u>11,176</u>
EXPENDITURES						
Current:						
General administration	-	-	-	-	-	-
Community development	-	401,799	-	-	-	-
Public works	437,916	-	-	233,924	-	-
Police services	-	-	93,477	-	7,182	-
Parks and recreation	-	-	-	-	-	14,743
Capital outlay	12,678	-	236,465	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>450,594</u>	<u>401,799</u>	<u>329,942</u>	<u>233,924</u>	<u>7,182</u>	<u>14,743</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>52,847</u>	<u>(34,082)</u>	<u>(228,213)</u>	<u>140,929</u>	<u>(1,617)</u>	<u>(3,567)</u>
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Sale of capital assets	-	-	2,450	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>2,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	52,847	(34,082)	(225,763)	140,929	(1,617)	(3,567)
FUND BALANCES, JANUARY 1	<u>2,040,505</u>	<u>51,799</u>	<u>582,708</u>	<u>673,063</u>	<u>35,198</u>	<u>35,649</u>
FUND BALANCES, DECEMBER 31	<u>\$ 2,093,352</u>	<u>17,717</u>	<u>356,945</u>	<u>813,992</u>	<u>33,581</u>	<u>32,082</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, 2019

	Dorsett TIF	Special Revenue Total	Community Center Debt Service	Total
REVENUES				
Municipal taxes	261,762	1,518,949	-	1,518,949
Intergovernmental	-	97,502	-	97,502
Investment income	-	9,792	852	10,644
Total Revenues	<u>261,762</u>	<u>1,626,243</u>	<u>852</u>	<u>1,627,095</u>
EXPENDITURES				
Current:				
General administration	-	-	3,078	3,078
Community development	729,361	1,131,160	-	1,131,160
Public works	-	671,840	-	671,840
Police services	-	100,659	-	100,659
Parks and recreation	-	14,743	-	14,743
Capital outlay	-	249,143	-	249,143
Debt service:				
Principal	-	-	635,000	635,000
Interest	-	-	340,083	340,083
Total Expenditures	<u>729,361</u>	<u>2,167,545</u>	<u>978,161</u>	<u>3,145,706</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(467,599)</u>	<u>(541,302)</u>	<u>(977,309)</u>	<u>(1,518,611)</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	985,000	985,000
Sale of capital assets	-	2,450	-	2,450
Total Other Financing Sources	<u>-</u>	<u>2,450</u>	<u>985,000</u>	<u>987,450</u>
NET CHANGE IN FUND BALANCES	(467,599)	(538,852)	7,691	(531,161)
FUND BALANCES, JANUARY 1	<u>622,308</u>	<u>4,041,230</u>	<u>21,119</u>	<u>4,062,349</u>
FUND BALANCES, DECEMBER 31	<u><u>154,709</u></u>	<u><u>3,502,378</u></u>	<u><u>28,810</u></u>	<u><u>3,531,188</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, 2019

	Streetlight			Tourism Tax			Police Forfeitures		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	\$ 509,500	503,441	(6,059)	350,000	367,717	17,717	-	-	-
Intergovernmental	-	-	-	-	-	-	50,000	91,937	41,937
Investment income	-	-	-	-	-	-	-	9,792	9,792
Total Revenues	<u>509,500</u>	<u>503,441</u>	<u>(6,059)</u>	<u>350,000</u>	<u>367,717</u>	<u>17,717</u>	<u>50,000</u>	<u>101,729</u>	<u>51,729</u>
EXPENDITURES									
Current:									
Community development:									
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	401,799	401,799	-	-	-	-
Public works:									
Streetlight	488,000	437,916	(50,084)	-	-	-	-	-	-
Sewer lateral	-	-	-	-	-	-	-	-	-
Public works projects:									
Streetlighting	46,000	5,248	(40,752)	-	-	-	-	-	-
Police services	-	-	-	-	-	-	96,600	89,586	(7,014)
Parks and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	235,000	236,465	1,465
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Trustee fees	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>534,000</u>	<u>443,164</u>	<u>(90,836)</u>	<u>401,799</u>	<u>401,799</u>	<u>-</u>	<u>331,600</u>	<u>326,051</u>	<u>(5,549)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(24,500)</u>	<u>60,277</u>	<u>84,777</u>	<u>(51,799)</u>	<u>(34,082)</u>	<u>17,717</u>	<u>(281,600)</u>	<u>(224,322)</u>	<u>57,278</u>
OTHER FINANCING SOURCES									
Sale of capital assets	-	-	-	-	-	-	-	2,450	2,450
Transfers in	-	-	-	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,450</u>	<u>2,450</u>
NET CHANGE IN FUND BALANCES	<u>\$ (24,500)</u>	<u>60,277</u>	<u>84,777</u>	<u>(51,799)</u>	<u>(34,082)</u>	<u>17,717</u>	<u>(281,600)</u>	<u>(221,872)</u>	<u>59,728</u>
FUND BALANCES, JANUARY 1		<u>2,031,028</u>			<u>51,799</u>			<u>578,817</u>	
FUND BALANCES, DECEMBER 31		<u>\$ 2,091,305</u>			<u>17,717</u>			<u>356,945</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, 2019

	Sewer Lateral			Police Training			Beautification		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	360,000	374,853	14,853	-	-	-	11,000	11,176	176
Intergovernmental	-	-	-	7,000	5,565	(1,435)	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Total Revenues	<u>360,000</u>	<u>374,853</u>	<u>14,853</u>	<u>7,000</u>	<u>5,565</u>	<u>(1,435)</u>	<u>11,000</u>	<u>11,176</u>	<u>176</u>
EXPENDITURES									
Current:									
Community development:									
Economic development	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Public works:									
Streetlight	-	-	-	-	-	-	-	-	-
Sewer lateral	250,000	233,924	(16,076)	-	-	-	-	-	-
Public works projects:									
Streetlighting	-	-	-	-	-	-	-	-	-
Police services	-	-	-	18,350	7,182	(11,168)	-	-	-
Parks and recreation	-	-	-	-	-	-	30,650	14,743	(15,907)
Capital outlay	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Trustee fees	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>250,000</u>	<u>233,924</u>	<u>(16,076)</u>	<u>18,350</u>	<u>7,182</u>	<u>(11,168)</u>	<u>30,650</u>	<u>14,743</u>	<u>(15,907)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>110,000</u>	<u>140,929</u>	<u>30,929</u>	<u>(11,350)</u>	<u>(1,617)</u>	<u>9,733</u>	<u>(19,650)</u>	<u>(3,567)</u>	<u>16,083</u>
OTHER FINANCING SOURCES									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Total Other Financing Sources	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	<u>110,000</u>	<u>140,929</u>	<u>30,929</u>	<u>(11,350)</u>	<u>(1,617)</u>	<u>9,733</u>	<u>(19,650)</u>	<u>(3,567)</u>	<u>16,083</u>
FUND BALANCES, JANUARY 1		<u>673,063</u>			<u>35,198</u>			<u>35,649</u>	
FUND BALANCES, DECEMBER 31		<u>813,992</u>			<u>33,581</u>			<u>32,082</u>	

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NONMAJOR FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2019

	Dorsett TIF			Community Center Debt Service			Total Nonmajor Funds		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES									
Municipal taxes	150,000	261,762	111,762	-	-	-	1,380,500	1,518,949	138,449
Intergovernmental	-	-	-	-	-	-	57,000	97,502	40,502
Investment income	-	-	-	-	852	852	-	10,644	10,644
Total Revenues	150,000	261,762	111,762	-	852	852	1,437,500	1,627,095	189,595
EXPENDITURES									
Current:									
Community development:									
Economic development	752,100	729,361	(22,739)	-	-	-	752,100	729,361	(22,739)
Tourism	-	-	-	-	-	-	401,799	401,799	-
Public works:									
Streetlight	-	-	-	-	-	-	488,000	437,916	(50,084)
Sewer lateral	-	-	-	-	-	-	250,000	233,924	(16,076)
Public works projects:									
Streetlighting	-	-	-	-	-	-	46,000	5,248	(40,752)
Police services	-	-	-	-	-	-	114,950	96,768	(18,182)
Parks and recreation	-	-	-	-	-	-	30,650	14,743	(15,907)
Capital outlay	-	-	-	-	-	-	235,000	236,465	1,465
Debt service:									
Principal	-	-	-	635,000	635,000	-	635,000	635,000	-
Interest	-	-	-	340,100	340,083	(17)	340,100	340,083	(17)
Trustee fees	-	-	-	9,900	3,078	(6,822)	9,900	3,078	(6,822)
Total Expenditures	752,100	729,361	(22,739)	985,000	978,161	(6,839)	3,303,499	3,134,385	(169,114)
REVENUES OVER (UNDER) EXPENDITURES	<u>(602,100)</u>	<u>(467,599)</u>	<u>134,501</u>	<u>(985,000)</u>	<u>(977,309)</u>	<u>7,691</u>	<u>(1,865,999)</u>	<u>(1,507,290)</u>	<u>358,709</u>
OTHER FINANCING SOURCES									
Sale of capital assets	-	-	-	-	-	-	-	2,450	2,450
Transfers in	-	-	-	985,000	985,000	-	985,000	985,000	-
Total Other Financing Sources	-	-	-	985,000	985,000	-	985,000	987,450	2,450
NET CHANGE IN FUND BALANCES	<u>(602,100)</u>	<u>(467,599)</u>	<u>134,501</u>	<u>-</u>	<u>7,691</u>	<u>7,691</u>	<u>(880,999)</u>	<u>(519,840)</u>	<u>361,159</u>
FUND BALANCES, JANUARY 1		622,308			21,119			4,048,981	
FUND BALANCES, DECEMBER 31		<u>154,709</u>			<u>28,810</u>			<u>3,529,141</u>	

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

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, 2019

	Revised Budget	Actual	Over (Under) Budget
REVENUES			
Municipal taxes - gaming	\$ 2,900,000	2,994,792	94,792
Intergovernmental	35,000	-	(35,000)
Unspent encumbrances	-	52,351	52,351
Miscellaneous	-	22,660	22,660
Total Revenues	2,935,000	3,069,803	134,803
EXPENDITURES			
Capital projects:			
Capital projects management	233,692	224,365	(9,327)
Annual slab/sidewalk replacement	1,800,000	1,555,640	(244,360)
Right-of-way enhancement program	100,000	40,231	(59,769)
Software upgrades	50,000	-	(50,000)
McKelvey Road (Ameling to bridge)	8,000	-	(8,000)
Sidewalk construction	430,000	277,230	(152,770)
Dorsett Road great streets implementation	15,000	6,112	(8,888)
Adie Road (Dorsett to Lindbergh)	292,000	291,841	(159)
Worthington Access Drive (Fee Fee to Kimler)	557,000	360,824	(196,176)
ADA Transition Plan	120,000	118,280	(1,720)
Casino Riverport Connector	80,000	77,495	(2,505)
Rock Island Boulevard	300,000	232,080	(67,920)
Wesglen Estates Trail	206,000	205,816	(184)
Westport Plaza Bridge Fence Replacement	53,000	52,897	(103)
Casino Drive Entertainment District	330,000	329,783	(217)
Fee Fee Road Ballfield	200,000	53,633	(146,367)
Fee Fee Creek (Dorsett Creek to RR)	1,000,000	280	(999,720)
11814 Jonesdale Court	185,000	150	(184,850)
11968 Meadow Run Court	51,000	50,435	(565)
12102 Glenpark Drive	100,000	56,375	(43,625)
Administration Drive East of Schuetz	57,000	41,470	(15,530)
Maryland Park Lake District	115,000	113,618	(1,382)
Rose Acres Tributary	1,100,000	163	(1,099,837)
Daley/Broadview/Gill	720,000	651,047	(68,953)
Project monitoring	25,000	-	(25,000)
Midland Creek at Adie Road	50,000	-	(50,000)
Total Expenditures	8,177,692	4,739,765	(3,437,927)
NET CHANGE IN FUND BALANCE	\$ (5,242,692)	(1,669,962)	3,572,730
FUND BALANCE, JANUARY 1		8,253,608	
FUND BALANCE, DECEMBER 31		\$ 6,583,646	

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND TYPES

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

CITY OF MARYLAND HEIGHTS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance December 31 2018	Additions	Deletions	Balance December 31 2019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 788,456	324,605	355,891	757,170
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
 LIABILITIES				
Accounts payable	\$ 200	160,860	157,540	3,520
Deposits held for others	788,256	323,830	358,436	753,650
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	\$ 788,456	484,690	515,976	757,170
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SECTION III - STATISTICAL SECTION

CITY OF MARYLAND HEIGHTS, MISSOURI

STATISTICAL

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

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	83 - 87
Revenue Capacity These schedules contain information to help the reader assess the City’s most significant local revenue sources.	88 - 92
Debt Capacity These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	93 - 96
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	97 - 98
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	99 - 101

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Net Position By Component

Last Ten Fiscal Years
(Accrual basis of accounting)

	December 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 118,000,485	123,613,819	125,459,752	127,128,526	128,450,335	128,803,131	138,230,734	145,517,057	143,495,136	141,977,261
Restricted for debt service	1,472,669	1,534,492	1,526,465	1,471,964	1,441,120	1,455,366	1,469,745	15,501	21,119	28,810
Restricted for other purposes	4,469,619	7,197,959	5,888,292	5,361,505	5,727,683	6,330,936	4,097,562	3,799,853	6,349,224	5,622,544
Unrestricted	<u>25,313,159</u>	<u>29,269,007</u>	<u>34,527,121</u>	<u>37,508,623</u>	<u>38,071,760</u>	<u>43,027,838</u>	<u>41,886,551</u>	<u>46,014,976</u>	<u>29,609,494</u>	<u>29,703,301</u>
Total Governmental Activities	<u>\$ 149,255,932</u>	<u>161,615,277</u>	<u>167,401,630</u>	<u>171,470,618</u>	<u>173,690,898</u>	<u>179,617,271</u>	<u>185,684,592</u>	<u>195,347,387</u>	<u>179,474,973</u>	<u>177,331,916</u>
Business-type activities										
Net investment in capital assets	\$ -	-	-	-	-	-	-	-	11,790,962	19,781,473
Restricted for debt service	-	-	-	-	-	-	-	-	3,542,482	3,580,932
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,225,307</u>	<u>(5,931,900)</u>
Total Business-type Activities	<u>\$ -</u>	<u>-</u>	<u>19,558,751</u>	<u>17,430,505</u>						
Primary Government										
Net investment in capital assets	\$ 118,000,485	123,613,819	125,459,752	127,128,526	128,450,335	128,803,131	138,230,734	145,517,057	155,286,098	161,758,734
Restricted for debt service	1,472,669	1,534,492	1,526,465	1,471,964	1,441,120	1,455,366	1,469,745	15,501	3,563,601	3,609,742
Restricted for other purposes	4,469,619	7,197,959	5,888,292	5,361,505	5,727,683	6,330,936	4,097,562	3,799,853	6,349,224	5,593,734
Unrestricted	<u>25,313,159</u>	<u>29,269,007</u>	<u>34,527,121</u>	<u>37,508,623</u>	<u>38,071,760</u>	<u>43,027,838</u>	<u>41,886,551</u>	<u>46,014,976</u>	<u>33,834,801</u>	<u>23,771,401</u>
Total Primary Government	<u>\$ 149,255,932</u>	<u>161,615,277</u>	<u>167,401,630</u>	<u>171,470,618</u>	<u>173,690,898</u>	<u>179,617,271</u>	<u>185,684,592</u>	<u>195,347,387</u>	<u>199,033,724</u>	<u>194,733,611</u>

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

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

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

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Change In Net Position

Last Ten Fiscal Years
(Accrual basis of accounting)

	For The Years Ended December 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EXPENSES										
Governmental Activities										
Legislative	\$ 139,354	151,333	146,509	154,813	149,994	148,426	196,712	160,774	148,419	179,921
General administration	2,257,650	2,115,259	2,115,459	2,213,776	2,389,179	2,257,387	2,429,857	2,685,671	2,705,950	2,617,448
Finance and accounting	1,324,808	1,285,228	1,281,654	1,442,245	1,570,216	1,391,851	1,439,402	1,349,977	1,499,165	1,376,258
Community development	1,930,471	2,159,549	2,096,746	1,877,219	2,150,241	2,284,715	2,133,831	2,278,066	21,439,615	9,792,272
Public works	14,331,035	9,225,177	10,432,409	10,581,228	10,996,220	9,914,314	10,330,201	10,140,858	11,093,581	11,768,592
Police services	9,755,323	9,964,544	10,041,388	10,185,805	10,707,304	9,970,794	11,049,136	10,760,469	11,415,708	10,513,353
Judicial	369,343	384,507	404,990	365,548	373,615	420,936	435,527	324,429	332,493	334,744
Parks and recreation	4,693,411	4,285,803	4,439,702	4,729,256	4,815,344	4,628,668	6,668,813	5,757,671	6,679,046	6,023,345
Human services	335,929	345,412	308,068	304,450	320,681	330,720	327,392	210,219	217,161	194,440
Interest and fiscal charges	1,262,272	1,206,319	1,044,816	953,942	858,825	1,415,025	1,004,432	825,972	707,799	1,833,793
Total Governmental Activities Expenses	36,399,596	31,123,131	32,311,741	32,808,282	34,331,619	32,762,836	36,015,303	34,494,106	56,238,937	44,634,166
Business-type Activities										
Community ice center	-	-	-	-	-	-	-	-	2,931,585	6,057,337
Total Primary Government Expenses	36,399,596	31,123,131	32,311,741	32,808,282	34,331,619	32,762,836	36,015,303	34,494,106	59,170,522	50,691,503
PROGRAM REVENUES										
Governmental Activities										
Charges for services:										
Community development	548,343	693,710	785,193	853,298	754,823	968,997	1,641,041	1,215,386	1,065,356	885,186
Public works	205,216	226,215	205,730	203,981	359,902	363,841	364,313	363,857	372,772	374,853
Police services	2,206,167	2,116,171	2,253,049	2,230,274	2,495,163	2,292,517	1,603,195	1,539,143	1,412,201	1,225,878
Judicial	212,139	226,722	232,470	196,005	209,128	163,763	100,127	91,623	88,033	62,917
Parks and recreation	1,456,294	1,176,732	1,194,566	1,113,024	1,115,734	1,243,308	903,828	1,511,650	2,098,383	2,158,163
Human services	34,442	41,404	47,464	-	-	-	-	-	-	-
Operating grants and contributions	2,381,866	2,324,220	2,300,350	2,278,440	2,186,616	2,194,906	2,177,867	2,201,262	2,860,670	6,751,798
Capital grants and contributions	2,008,578	5,718,036	692,983	1,452,327	298,273	870,588	4,782,425	5,481,297	905,084	-
Total Governmental Activities Program Revenues	9,053,045	12,523,210	7,711,805	8,327,349	7,419,639	8,097,920	11,572,796	12,404,218	8,802,499	11,458,795
Business-type Activities										
Charges for services	-	-	-	-	-	-	-	-	-	1,941,117
Capital grants and contributions	-	-	-	-	-	-	-	-	16,074,640	965,253
Total Primary Government Program Revenues	9,053,045	12,523,210	7,711,805	8,327,349	7,419,639	8,097,920	11,572,796	12,404,218	24,877,139	14,365,165
NET REVENUE (EXPENSES)										
Governmental activities	(27,346,551)	(18,599,921)	(24,599,936)	(24,480,933)	(26,911,980)	(24,664,916)	(24,442,507)	(22,089,888)	(47,436,438)	(33,175,371)
Business-type activities	-	-	-	-	-	-	-	-	13,143,055	(3,150,967)
Total Primary Government, Net Expenses	(27,346,551)	(18,599,921)	(24,599,936)	(24,480,933)	(26,911,980)	(24,664,916)	(24,442,507)	(22,089,888)	(34,293,383)	(36,326,338)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental Activities										
Gaming tax	13,192,688	12,449,843	11,986,806	10,992,201	9,705,233	10,162,979	10,413,257	10,388,263	10,010,410	9,982,640
Sales taxes	6,597,589	7,039,955	7,229,184	7,520,275	8,140,037	8,627,676	8,608,862	9,872,492	11,499,252	11,494,961
Utility tax	6,133,749	5,948,248	5,990,473	6,275,959	6,269,831	6,100,744	5,856,808	6,116,132	6,098,184	5,504,641
Property tax from tax increment financing	3,561,123	2,983,084	3,056,622	1,573,760	2,900,725	3,140,626	3,103,000	3,150,603	4,938,356	1,107,905
Hotel/motel tax	221,098	258,243	272,650	269,679	280,805	281,017	316,937	339,475	371,799	367,717
Cigarette tax	73,636	73,265	75,256	72,934	71,097	78,983	75,108	67,627	60,087	55,921
Business license tax	623,532	681,544	641,768	656,251	654,600	644,833	642,673	615,999	620,001	612,236
Cable franchise tax	330,568	351,505	369,568	364,730	402,200	419,403	397,243	348,185	339,269	330,934
Investment earnings	579,077	1,094,251	481,387	1,163	608,117	387,937	384,179	529,029	873,191	1,436,619
Gain on sale of capital assets	106,592	-	-	-	-	-	-	81,027	10,998	86,515
Miscellaneous	262,672	79,328	691,817	822,969	99,615	187,412	228,214	243,851	1,439,842	123,415
Transfers	-	-	-	-	-	-	-	-	(5,874,640)	(100,000)
Special items	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities General Revenues And Other Changes In Net Position	31,682,324	30,959,266	30,795,531	28,549,921	29,132,260	30,031,610	30,026,281	31,752,683	30,386,749	31,003,504
Business-type Activities										
Investment earnings	-	-	-	-	-	-	-	-	541,056	922,721
Transfers	-	-	-	-	-	-	-	-	5,874,640	100,000
Total Business-type Activities General Revenues And Other Changes In Net Position	-	-	-	-	-	-	-	-	6,415,696	1,022,721
Total Primary Government General Revenues And Other Changes In Net Position	31,682,324	30,959,266	30,795,531	28,549,921	29,132,260	30,031,610	30,026,281	31,752,683	36,802,445	32,026,225
CHANGE IN NET POSITION										
Governmental Activities	4,335,773	12,359,345	6,195,595	4,068,988	2,220,280	5,366,694	5,583,774	9,662,795	(17,049,689)	(2,171,867)
Business-type Activities	-	-	-	-	-	-	-	-	19,558,751	(2,128,246)
Total Primary Government	\$ 4,335,773	12,359,345	6,195,595	4,068,988	2,220,280	5,366,694	5,583,774	9,662,795	2,509,062	(4,300,113)

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

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									
	2010	2011	2012*	2013*	2014*	2015*	2016*	2017*	2018*	2019*
General Fund										
Reserved	\$ 5,433,310	625,450 †	465,823 †	629,137 †	706,824	611,145	714,594	448,505	633,799	669,853
Unreserved	25,007,759	31,343,370	35,442,869	36,107,860	36,287,596	27,153,577	28,839,414	26,306,217	28,810,424	30,751,642
Nonspendable		466,223	282,002	330,411	624,466	558,931	654,231	429,398	503,664	513,009
Committed		143,842	161,220	236,061	49,469	-	44,615	49,230	101,119	133,680
Assigned		15,385	22,601	62,665	11,316,656	52,214	15,748	19,107	29,016	551,035
Unassigned		31,343,370	35,442,869	36,107,860	25,003,829	27,153,577	28,839,414	26,256,987	28,810,424	30,223,771
Total General Fund	<u>\$ 30,441,069</u>	<u>31,968,820</u>	<u>35,908,692</u>	<u>36,736,997</u>	<u>36,994,420</u>	<u>27,764,722</u>	<u>29,554,008</u>	<u>26,754,722</u>	<u>29,444,223</u>	<u>31,421,495</u>
All Other Governmental Funds										
Reserved	\$ 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	843,442 ϕ	1,299,281
Unreserved, reported in:										
Special Revenue Funds	4,211,780	8,103,491	8,681,276	6,936,356	9,006,336	9,455,203	9,085,676	10,630,300	14,332,317	14,942,512
Capital Projects Funds	4,927,110	8,081,026	9,053,831	8,325,384	9,122,172	6,782,869	9,011,251	12,610,202	8,253,608	6,583,646
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	6,368,199	5,622,544
Committed		14,481,992	14,557,320	14,885,497	13,719,147	24,732,348	19,351,530	21,780,377	17,061,168	17,202,895
Unassigned		-	-	(614)	-	(3,978)	-	-	-	-
Total All Other Govern- mental Funds	<u>\$ 19,357,733</u>	<u>23,020,055</u>	<u>21,896,352</u>	<u>21,605,253</u>	<u>20,770,828</u>	<u>39,223,028</u>	<u>24,897,510</u>	<u>25,574,404</u>	<u>23,429,367</u>	<u>22,825,439</u>

Notes:

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

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

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Changes In Fund Balances Of Governmental Funds

Last Ten Fiscal Years
(Modified accrual basis of accounting)

	For The Years Ended December 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Municipal taxes	\$ 31,873,173	31,043,040	30,882,809	28,737,386	29,783,231	30,822,485	30,833,479	31,804,826	35,880,688	31,046,236
Licenses, permits, fines, and fees	3,486,316	3,868,319	3,920,419	3,947,310	3,855,393	4,193,136	4,131,966	3,552,361	3,270,887	2,838,590
Charges for services	1,456,294	1,176,732	1,194,566	1,163,292	1,146,111	1,273,308	917,610	1,511,650	2,098,383	2,158,163
Intergovernmental	2,639,505	6,501,378	1,409,643	2,027,566	765,476	1,352,818	4,553,577	5,953,412	1,887,475	4,815,163
Investment income	579,077	1,094,251	481,387	1,163	608,117	387,937	384,179	529,029	873,191	1,436,619
Other	251,078	58,705	653,075	832,979	103,159	110,137	892,845	185,960	1,432,696	112,099
Total Revenues	40,285,443	43,742,425	38,541,899	36,709,696	36,261,487	38,139,821	41,713,656	43,537,238	45,443,320	42,406,870
EXPENDITURES										
Current:										
Legislative	139,354	151,333	146,509	154,813	149,994	148,426	196,712	160,774	148,419	179,921
General administration	1,614,922	1,498,692	1,494,840	1,578,645	1,768,784	1,785,619	1,778,734	2,051,522	2,116,743	2,237,651
Finance and accounting	1,284,431	1,257,070	1,252,661	1,412,395	1,513,073	1,405,982	1,350,643	1,315,863	1,419,840	1,385,796
Community development	1,903,321	2,135,948	2,089,443	1,963,392	2,135,277	2,382,157	2,064,384	2,276,220	21,387,696	9,851,250
Public works	5,707,504	6,043,689	6,194,645	6,270,358	6,401,481	5,724,245	5,715,116	5,666,015	5,732,610	5,845,275
Police services	9,561,432	9,589,894	9,853,622	9,980,081	10,189,054	10,143,534	10,451,192	10,592,561	11,264,445	11,019,268
Judicial	370,630	382,877	404,940	367,890	349,818	429,712	426,655	328,478	337,195	347,830
Parks and recreation	4,032,722	3,668,071	3,733,927	3,949,402	3,991,768	3,851,948	3,707,017	4,510,614	5,213,594	5,134,708
Human services	335,525	344,784	345,791	303,943	322,834	337,171	324,502	210,557	217,161	194,440
Capital outlay	17,079,698	10,496,568	7,609,671	7,559,604	7,454,744	14,448,697	24,227,800	13,276,471	4,980,950	5,758,331
Debt service:										
Principal	1,065,000	1,880,000	1,615,000	1,730,000	1,725,000	2,095,000	3,035,000	4,555,000	4,840,000	4,011,023
Issuance costs	-	-	-	-	-	307,356	-	-	-	-
Interest	1,198,536	1,157,525	1,054,125	965,300	870,150	1,034,954	1,037,183	891,158	647,733	1,815,539
Total Expenditures	44,293,075	38,606,451	35,795,174	36,235,823	36,871,977	44,094,801	54,314,938	45,835,233	58,306,386	47,781,032
REVENUES OVER (UNDER) EXPENDITURES	(4,007,632)	5,135,974	2,746,725	473,873	(610,490)	(5,954,980)	(12,601,282)	(2,297,995)	(12,863,066)	(5,374,162)
OTHER FINANCING SOURCES (USES)										
Proceeds from certificates of participation issued	-	-	-	-	-	15,000,000	-	-	-	-
Premium on issuance of certificate of participation	-	-	-	-	-	109,107	-	-	-	-
Proceeds of tax increment notes issued	-	-	-	-	-	-	-	-	19,200,000	6,662,500
Transfers in	492,000	503,250	1,951,221	2,398,875	1,808,200	12,210,000	1,038,925	6,085,000	1,922,439	1,085,000
Transfers out	(492,000)	(503,250)	(1,951,221)	(2,398,875)	(1,808,200)	(12,210,000)	(1,038,925)	(6,085,000)	(7,797,079)	(1,185,000)
Insurance proceeds	-	-	-	-	-	-	-	44,253	36,105	31,446
Sale of capital assets	154,506	54,099	69,444	63,333	33,488	68,375	65,050	131,350	46,065	153,560
Total Other Financing Sources (Uses)	154,506	54,099	69,444	63,333	33,488	15,177,482	65,050	175,603	13,407,530	6,747,506
NET CHANGES IN FUND BALANCES	\$ (3,853,126)	5,190,073	2,816,169	537,206	(577,002)	9,222,502	(12,536,232)	(2,122,392)	544,464	1,373,344
Debt service as a percentage of noncapital expenditures	6.75 %	10.55	9.03	8.97	8.37	10.13	12.93	16.20	9.93	13.22

CITY OF MARYLAND HEIGHTS, MISSOURI

Tax Revenues By Source, Governmental Funds

Last Ten Fiscal Years
(Modified accrual basis of accounting)

For The Years Ended December 31	Gaming	Utility Gross Receipts	Sales	Other	Total
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	5,924,268	9,569,763	5,922,532	31,804,826
2018	10,010,410	6,376,048	11,559,664	7,934,566	35,880,688
2019	9,982,640	5,537,853	10,777,269	4,748,444	31,046,206

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)

<u>Category Of Utility</u>	<u>For The Years Ended December 31</u>									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Electric	\$ 53,692,727	58,520,945	58,109,836	62,614,944	63,209,084	64,911,236	62,942,519	64,499,224	72,982,444	61,389,385
Gas	14,037,273	14,268,982	11,865,455	12,912,504	14,192,432	13,089,034	10,770,649	12,191,292	13,417,899	13,060,682
Telephone	31,785,691	29,910,473	31,915,927	31,478,083	29,832,167	27,278,887	25,901,841	23,873,077	21,144,127	17,363,931
Water	5,611,527	6,248,127	6,865,836	6,613,333	6,770,081	6,781,956	7,228,405	7,059,985	8,383,669	8,011,572
Total Gross Receipts Of Utilities	<u>\$ 105,127,218</u>	<u>108,948,527</u>	<u>108,757,054</u>	<u>113,618,864</u>	<u>114,003,764</u>	<u>112,061,113</u>	<u>106,843,414</u>	<u>107,623,578</u>	<u>115,928,139</u>	<u>99,825,570</u>
Rate	5.5 %	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Revenue	<u>\$ 5,781,997</u>	<u>5,992,169</u>	<u>5,981,638</u>	<u>6,249,038</u>	<u>6,270,207</u>	<u>6,163,361</u>	<u>5,876,388</u>	<u>5,919,297</u>	<u>6,376,048</u>	<u>5,490,406</u>

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

No overlapping jurisdictions impose this tax.

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	2019			2010		
	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts	Taxable Gross Receipts	Rank	Percentage Of Total Taxable Gross Receipts
Ameren Missouri	\$ 61,389,385	1	61.50 %	\$ 53,692,733	1	49.28 %
Spire Missouri (formerly, Laclede Gas)	12,938,843	2	12.96	13,963,404	2	12.82
Missouri-American Water Co.	8,011,572	3	8.03	5,611,527	5	5.15
AT&T Missouri (formerly, Southwestern Bell)	3,510,157	4	3.52	9,440,913	3	8.67
New Cingular Wireless	3,266,323	5	<u>3.27</u>	8,692,893	4	<u>7.98</u>
Total			<u>89.28 %</u>			<u>83.90 %</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>
2019	0.500 %	3.388 %	4.225 %	8.113 %
2018	0.500	3.388	4.225	8.113
2017	0.500	3.388	4.225	8.113
2016	0.500	2.888	4.225	7.613
2015	0.500	2.888	4.225	7.613
2014	0.500	2.888	4.225	7.613
2013	0.500	2.888	4.225	7.613
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

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

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Taxable Sales Generated By Industry

For The Years Ended December 31 - Last Ten Fiscal Years

Industry	2009		2010		2011		2012		2013	
	Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable Gross Receipts								
Wholesale trade - durable goods	\$ 46,477	6.81 %	\$ 42,823	6.28 %	\$ 47,916	7.15 %	\$ 45,019	6.41 %	\$ 48,196	6.43 %
Eating and drinking places	91,968	13.48	87,964	12.89	87,024	12.98	89,384	12.72	90,336	12.05
Miscellaneous services	75,907	11.13	96,893	14.20	95,900	14.31	115,728	16.47	156,850	20.93
Miscellaneous retail	43,879	6.43	42,921	6.29	39,452	5.88	40,626	5.78	41,098	5.48
Electric, gas, and sanitary services	38,841	5.69	38,725	5.68	42,496	6.34	42,099	5.99	44,243	5.90
Food stores	50,270	7.37	49,323	7.23	48,076	7.17	49,272	7.01	47,571	6.35
Amusement/recreation services, except motel	25,260	3.70	23,666	3.47	19,738	2.94	18,261	2.60	15,577	2.08
Hotels, rooming houses, and camps/other	41,844	6.13	40,651	5.96	43,309	6.46	47,258	6.73	48,626	6.49
Communication	37,631	5.52	33,144	4.86	29,597	4.41	24,546	3.50	22,713	3.03
Other	230,080	33.74	222,315	33.14	216,922	32.36	230,391	32.79	234,317	31.26
Total Taxable Sales	\$ 682,157	100.00 %	\$ 678,425	100.00 %	\$ 670,430	100.00 %	\$ 702,584	100.00 %	\$ 749,527	100.00 %

Industry	2014		2015		2016		2017		2018	
	Taxable Sales (Millions Of Dollars)	Percentage Of Total Taxable Gross Receipts								
Wholesale trade - durable goods	\$ 52,750	6.59 %	\$ 55,914	6.61 %	\$ 57,208	6.56 %	\$ 181,570	19.63 %	\$ 195,603	19.57 %
Eating and drinking places	91,090	11.39	96,884	11.45	99,636	11.42	95,787	10.36	100,567	10.06
Miscellaneous services	176,943	22.12	176,657	20.87	199,422	22.86	89,795	9.71	98,671	9.87
Miscellaneous retail	49,991	6.25	51,368	6.07	56,380	6.46	100,370	10.85	107,772	10.78
Electric, gas, and sanitary services	44,398	5.55	44,848	5.30	43,074	4.94	44,804	4.85	47,327	4.73
Food stores	48,536	6.07	50,500	5.97	53,126	6.09	39,852	4.31	40,682	4.07
Amusement/recreation services, except motel	12,387	1.55	14,046	1.66	16,021	1.84	16,934	1.83	17,747	1.78
Hotels, rooming houses, and camps/other	49,129	6.14	51,193	6.05	53,558	6.14	77,427	8.37	82,805	8.28
Communication	24,707	3.09	24,567	2.90	20,442	2.34	20,756	2.24	20,215	2.02
Other	249,944	31.25	280,296	33.12	273,552	31.35	257,528	27.85	288,240	28.84
Total Taxable Sales	\$ 799,875	100.00 %	\$ 846,273	100.00 %	\$ 872,419	100.00 %	\$ 924,823	100.00 %	\$ 999,629	100.00 %

Source: Taxable sales by Standard Industry Code reported by the State of Missouri Department of Revenue (2009 - 2016). State of Missouri converted to using North American Industry Classification System (NAICS) in 2017. Most recent data is 2018.

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>
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
2018	5,111	233,287	10,010	22.0
2019	4,953	239,507	9,983	23.5

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Certificates of participation	\$ -	-	-	-	-	15,104,148	14,498,738	13,883,327	19,200,000	22,486,477
Tax increment notes and bonds	19,487,750	17,628,050	16,033,350	14,323,650	12,618,950	10,544,250	8,129,550	4,204,850	13,252,917	12,612,507
Total Debt Outstanding	19,487,750	17,628,050	16,033,350	14,323,650	12,618,950	25,648,398	22,628,288	18,088,177	32,452,917	35,098,984
Less - Reserve for debt service	(1,472,669)	(1,534,492)	(1,526,465)	(1,471,964)	(1,441,120)	(1,455,366)	(1,469,745)	(15,501)	(21,119)	(28,810)
Net Governmental Activities Debt Outstanding	18,015,081	16,093,558	14,506,885	12,851,686	11,177,830	24,193,032	21,158,543	18,072,676	32,431,798	35,070,174
Business-type Activities										
IDA Revenue Bonds	-	-	-	-	-	-	-	-	55,753,482	55,746,014
Less - Reserve for debt service	-	-	-	-	-	-	-	-	(3,542,482)	(3,580,932)
Net Business-type Activities Debt Outstanding	-	-	-	-	-	-	-	-	52,211,000	52,165,082
Total Net Debt Outstanding	\$ 18,015,081	16,093,558	14,506,885	12,851,686	11,177,830	24,193,032	21,158,543	18,072,676	84,642,798	87,235,256
 Personal Income	 \$ 681,407,628	 681,407,628	 812,814,064							
 Debt As Percentage Of Personal Income	 2.86 %	 2.59	 1.97	 1.76	 1.55	 3.16	 2.78	 2.23	 3.99	 4.32
 Population	 27,346	 27,472								
 Per Capita Debt	 \$ 713	 642	 584	 521	 459	 934	 824	 658	 3,082	 3,176

CITY OF MARYLAND HEIGHTS, MISSOURI

Legal Debt Margin Information

Last Ten Fiscal Years

Description	December 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 102,084,063	98,726,303	108,501,346	102,570,821	102,126,516	98,627,478	98,606,671	106,959,345	105,493,438	114,648,317
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>	<u>105,493,438</u>	<u>114,648,317</u>

Calculation for Fiscal Year 2019:

Assessed value \$ 1,146,483,170

Debt limit -- 10% of assessed value \$ 114,648,317

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, 2019

	Debt Outstanding	Percent* Applicable To Maryland Heights	Amount Applicable To Maryland Heights
St. Louis County	\$ 528,670,064	4.53 %	\$ 23,968,548
Monarch Fire Protection District ¹	-	0.54	-
Pattonville-Bridgeton Fire Protection District ¹	12,703,666	30.13	3,827,315
Pattonville School District ¹	68,460,000	45.59	31,208,392
Parkway School District ¹	203,435,000	8.77	17,848,971
Special School District ¹	34,031,848	4.53	1,542,917
Maryland Heights Fire Protection District ¹	12,323,942	99.15	12,219,246
Creve Coeur Fire Protection District ¹	11,050,000	10.92	1,206,487
Subtotal, Overlapping Debt			91,821,876
City of Maryland Heights direct debt ²			35,098,984
Total Direct And Overlapping Debt			\$ 126,920,860

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

²Includes governmental activity debt. Does not include business-type.

*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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Tax increment financing (TIF) sales tax	\$ 105,868	128,017	124,599	102,994	153,157	250,629	241,631	274,657	440,482	171,356
TIF property tax	3,331,258	2,764,853	2,896,064	1,425,533	2,742,019	3,007,638	2,562,975	2,498,113	4,749,521	865,440
Total Available Revenue	\$ 3,437,126	2,892,870	3,020,663	1,528,527	2,895,176	3,258,267	2,804,606	2,772,770	5,190,003	1,036,796
Debt Service (interest due including increases to the notes)	\$ 2,263,536	3,037,525	2,669,123	2,695,300	2,595,150	2,870,275	3,095,050	4,471,125	4,510,050	4,851,479
Ratio	1.52	0.95	1.13	0.57	1.12	1.14	0.91	0.62	1.15	0.21
TIF bonds outstanding at January 1	\$ 20,705,000	19,640,000	17,760,000	16,145,000	14,415,000	12,690,000	10,595,000	8,160,000	4,215,000	19,200,000
New issue	-	-	-	-	-	-	-	-	19,200,000	6,662,500
Principal paid	1,065,000	1,880,000	1,615,000	1,730,000	1,725,000	2,095,000	2,435,000	3,945,000	4,215,000	3,376,023
TIF Bonds Outstanding At December 31	\$ 19,640,000	17,760,000	16,145,000	14,415,000	12,690,000	10,595,000	8,160,000	4,215,000	19,200,000	22,486,477

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

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

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

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>	
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
2018	27,472	812,814	29,587	5,791	17,635	2.60
2019	27,472	812,814	29,587	5,791	17,605	2.50

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Principal Employers

Current Year And Nine Years Ago

<u>Employer</u>	<u>2019</u>			<u>2010</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>
Charter Communications Entertainment, LLC	2,094	1	4.67 %	-	-	- %
Edward Jones	1,874	2	4.18	3,231	1	6.46
World Wide Technology, LLC	1,452	3	3.24	-	-	-
Magellan Health Services	1,350	4	3.01	1,480	3	2.96
Hollywood Casino St. Louis	1,256	5	2.80	-	-	-
Siemens Industry Software, Inc.	1,068	6	2.38	-	-	-
Essence Healthcare	1,006	7	2.25	-	-	-
United Healthcare of the Midwest	900	8	2.01	900	7	1.80
Elsevier, Inc.	724	9	1.62	732	8	1.46
Schnucks Markets, Inc.	635	10	1.42	635	9	1.27
Monsanto	553	11	1.23	1,200	5	2.40
Harrah's Casino	-	-	-	1,891	2	3.78
TALX	63	115	0.14	1,369	4	2.74
GMAC	-	-	-	1,005	6	2.01
Watlow Electric Manufacturing	-	-	-	465	10	0.93
Total	<u>12,975</u>		<u>28.95 %</u>	<u>12,908</u>		<u>25.81 %</u>

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

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Full-time Equivalent City Government Employees By Functions/Programs¹

Last Ten Fiscal Years

Functions/Programs	December 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Administration	8.25	7.50	7.50	8.75	8.75	9.75	9.25	10.50	11.25	12.25
Finance	9.00	9.00	9.00	9.25	9.25	9.00	9.00	8.00	8.00	8.00
Community development	19.45	19.25	19.25	18.25	19.25	19.25	20.25	20.25	19.25	19.25
Municipal court	5.65	5.65	5.65	5.65	4.30	5.30	3.30	3.80	3.80	3.80
Human services	2.80	2.80	2.80	3.60	1.80	1.90	1.90	-	-	-
Police:										
Officers	79.00	79.00	79.00	79.00	79.00	78.20	78.00	78.00	79.00	79.00
Civilians	19.20	19.20	18.20	18.20	18.80	17.90	17.90	19.90	19.90	19.90
Public works:										
Engineering and administration	5.00	5.00	5.00	5.00	5.00	4.00	4.00	3.50	3.00	3.00
Road and bridges	15.50	14.50	15.50	15.50	15.50	15.50	15.50	14.50	14.50	14.50
Storm water	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Vehicle maintenance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Construction management	6.25	6.25	6.25	6.25	6.25	5.25	5.25	3.25	2.25	2.25
Parks and recreation:										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	1.00
Recreation services	10.50	10.20	9.80	9.90	11.40	12.30	31.44	35.80	46.44	52.67
Community Centre	13.45	13.70	13.45	13.70	13.80	13.80	6.57	7.25	7.25	8.25
Government center maintenance	5.00	5.00	5.00	5.00	4.00	4.00	4.00	5.00	5.00	4.00
Sportport	7.20	-	-	-	-	-	-	-	-	-
Aquaport	2.50	2.50	2.50	2.90	2.90	2.90	2.45	3.30	3.30	14.56
Parks maintenance	8.50	8.50	8.50	9.20	9.20	9.20	10.70	10.20	9.20	8.20
Total	230.25	221.05	220.40	223.15	222.20	221.25	232.51	235.25	244.14	260.63

Source: Payroll Data from Finance Department

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

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

CITY OF MARYLAND HEIGHTS, MISSOURI

Capital Asset Statistics By Functions/Programs

Last Ten Fiscal Years

Functions/Programs	December 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	27	27	27	27
Public works:										
Streets (miles)	97	97	97	97	97	97	97	97	97	97
Streetlights	1,922	1,948	1,956	1,956	1,961	1,948	1,954	1,963	1,961	1,961
Parks and recreation:										
Recreational facilities	8	8	8	8	8	8	7 *	8	8	8
Acreage ¹	123	123	123	123	123	123	123	123	123	123
Playgrounds	7	7	7	7	7	7	7	7	7	7
Square footage of Community Centre	42,000	42,000	42,000	42,000	42,000	42,000	N/A *	92,000	92,000	92,000
Soccer fields	14	14	14	14	14	14	14	14	14	14
Paved trails (in miles)	-	-	-	-	-	0.75	0.75	0.75	3	3
Business-type asset:										
Community Ice Center:										
Square footage	-	-	-	-	-	-	-	-	-	275,000
Acreage	-	-	-	-	-	-	-	-	-	25
Ice rinks	-	-	-	-	-	-	-	-	-	4

Source: Various City departments

¹Acreage 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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Adult arrests	4,708	5,020	5,184	4,947	4,730	4,655	4,042	4,625	4,330	3,714
Juvenile arrests	488	386	457	197	135	105	84	100	58	74
Hazardous citations	7,037	7,174	6,404	5,545	5,650	5,520	4,249	4,255	4,131	2,892
Nonhazardous citations	6,403	6,768	6,281	6,731	6,185	5,990	5,178	5,148	4,959	3,318
Emergency calls	438	422	357	574	554	566	617	632	661	63
Nonemergency calls	49,989	54,152	50,099	64,310	68,369	73,634	79,859	78,278	78,302	73,019
Public Works										
Street asphalt repairs tons	138	224	190	63	152	134	71	83	24	85
Street concrete repairs sq. yds.	66,357	31,408	34,980	43,644	20,767	12,097	1,283	2,335	1,883	840
Sidewalk replacement sq. ft.	41,016	19,801	8,557	19,932	14,608	2,763	9,530	11,239	8,767	7,803
Trees maintained	1,394	836	1,306	1,574	1,245	1,677	3,027	1,707	1,685	1,274
Storm water inlet repairs	65	77	66	69	114	70	86	41	51	35
Sewer lateral repairs	58	51	64	48	61	73	67	64	56	65
Parks and Recreation										
Total programs offered	828	1,048	894	786	781	871	411	305	284	368
Total program registrations	7,091	7,142	7,556	7,071	7,888	5,910	5,842	6,395	4,490	4,538
Room set-ups	2,204	2,198	2,732	3,409	3,338	3,425	2,061	1,043	2,238	2,570
Room rentals	2,192	2,198	2,426	2,454	2,459	2,404	1,735	445	795	1,971
Rental attendance	74,510	68,178	82,096	65,954	72,756	74,276	35,620	47,303	82,330	82,242
Community Center membership swipes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	95,908	146,203	159,310
Community Development										
Zoning permits	347	286	168	150	134	133	146	129	121	121
Business licenses	1,787	1,718	1,621	1,695	1,564	1,778	1,665	1,714	1,967	2,012
Building permits	716	1,229	1,675	1,727	1,254	1,280	1,351	1,586	1,430	1,594
Building inspections	3,237	5,099	4,955	3,901	3,035	3,534	3,924	4,719	4,045	3,461
Code inspections	1,717	1,532	2,483	1,693	1,421	2,384	1,751	1,209	1,695	1,306
Notice of code violation sent	650	606	934	473	362	528	321	235	258	128
Finance and Administration										
Bid solicitations	17	21	20	20	16	19	20	20	13	18
Press releases issued	35	30	30	25	4	10	16	15	7	5
Public inquiry responses - email	311	273	200	285	233	210	270	363	201	280
Business-type Asset										
Community Ice Center*										
Number of tenants	-	-	-	-	-	-	-	-	-	10

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

Source: Various City departments