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1-1-2007

## Comprehensive Annual Financial Report, 2006

City of Maryland Heights

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**SUSAN MONTEE, CPA**  
Missouri State Auditor

July 16, 2007

David V. Watson, Director of Finance  
City of Maryland Heights  
St. Louis County  
212 Millwell Drive  
Maryland Heights, MO 63043

Fiscal Period: One Year Ended December 31, 2006 ✓

Dear Mr. Watson:

In accordance with Section 105.145, RSMo, we acknowledge receipt of the financial report of your political subdivision for the above-described fiscal period.

Thank you for your cooperation in sending this information.

Sincerely,

SUSAN MONTEE, CPA  
STATE AUDITOR

A handwritten signature in cursive script that reads "Judy Buerky".

Judy Buerky  
Local Government Analyst

**ANNUAL DISCLOSURE STATEMENT**

**CITY OF MARYLAND HEIGHTS, MISSOURI**

**IN CONNECTION WITH**

**CITY OF MARYLAND HEIGHTS, MISSOURI  
PUBLIC FACILITIES AUTHORITY**

**Leasehold Revenue Bonds**

**Series 1997**

**(City of Maryland Heights, Missouri, Lessee)**

**AND**

**CITY OF MARYLAND HEIGHTS, MISSOURI  
PUBLIC FACILITIES AUTHORITY**

**Leasehold Revenue Bonds**

**Series 2003**

**(City of Maryland Heights, Missouri, Lessee)**

**June 30, 2007**

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## THE CITY

### *General*

The City of Maryland Heights is located in St. Louis County, Missouri, approximately 20 miles northwest of the City of St. Louis. Maryland Heights covers approximately 24 square miles and is within the Metropolitan Statistical Area (MSA) which, at the time of the 2000 census, was comprised of the City of St. Louis and St. Louis County, and parts of the counties of St. Charles, Franklin, Jefferson, Lincoln and Warren in Missouri, and parts of the counties of Jersey, Madison, St. Clair, Clinton, and Monroe in Illinois.

Maryland Heights was incorporated on May 9, 1985.

### *Government*

Maryland Heights is a third class city, as defined by Missouri statute, is governed under the Mayor/Council form of government and has adopted the optional City Administrator form by ordinance. The legislative body of the City is the City Council, which is comprised of eight council members. Council members are elected from four wards to serve two-year terms, one-half of which expire annually.

The Mayor, elected at large to serve a four-year term, is the presiding officer of the City Council. The Mayor may vote in the event of a tie vote by the City Council. Additionally, the Mayor has veto power.

The Mayor, with the advice and consent of the City Council, appoints the City Administrator. The City Administrator is the assistant to the Mayor and is responsible for the day-to-day management of the City's government business and staff. The City Administrator is also responsible for the employment and discharge of all City employees under policies established by the Council.

City services and functions are divided into five departments: Police, Public Works, Parks and Recreation, Finance, and Community Development. Additionally, there are the offices of the City Administrator and the City Clerk, and the Municipal Court.

The Mayor, with approval of the City Council, appoints more than 80 citizens to 12 commissions and boards, which are the Zoning Board of Adjustment, Beautification Commission, Board of Building Code Appeals, Human Rights Commission, Industrial Development Authority, Parks and Recreation Advisory Commission, Planning and Zoning Commission, Board of Police Commissioners, Stormwater Commission, Tax Increment Financing Commission, Traffic Commission, and Cultural Arts Commission.

### *Employees*

Maryland Heights has 195 full-time employees. City employees are not represented by a collective bargaining unit.

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### *Population*

According to the official census of the United States Department of Commerce, Bureau of the Census, in 1990 the population of Maryland Heights was 25,407 and in 2000 the population of Maryland Heights was 25,756. The annexation of a tract in 2004 increased the City's population to 27,345.

According to statistics from the United States Bureau of Census, in 2000, the population of Maryland Heights was younger than that of the State of Missouri. The median age of the population in 2000 was 34.2 years compared to 36.1 years for Missouri. Approximately 23% of the population was under the age of 19 years. The percentage of young adults, ages 19-24, was less than 8%, while the older adults, 65 years and above, comprised nearly 10% of the population.

Ethnic diversity in Maryland Heights has increased since 1990 as non-white population has increased by 8% to 15%.

According to statistics from the United States Bureau of Census, in 2000, the City's total population enrolled in elementary or high school equaled 3,076. The percentage of the City's population with high school diplomas was 88.2%, and 38.7% of the population have a bachelor's degree or higher. This compares favorably to the State of Missouri, which had a population graduated from high school of 81.3% and a population with bachelor's degree or higher of 21.6%.

### *Transportation*

The transportation network serving Maryland Heights includes major highways, air, rail, and bus service. Interstate 270 traverses the City and the City's northern boundary is adjacent to Interstate 70. Interstate 70 provides direct access to the City of St. Louis, which is located approximately 20 miles southeast of the City.

Within Maryland Heights is the Creve Coeur Airport, which serves private and corporate aircraft. Regular scheduled air passenger and freight service is available at Lambert St. Louis International Airport, located approximately 7 miles east of the City. Bus service is provided by Metro, a publicly supported system. The Cotton Belt route of the St. Louis Southwestern Railway Company serves the City.

## *Economy*

Maryland Heights is a suburban community with a diverse economic base represented by a mixture of many industries, numerous commercial enterprises, office buildings and support services. There are twenty hotels located in the City and a significant portion of the City's economic activity is based on the hospitality industry.

Maryland Heights is one of the largest employment centers in St. Louis County. Based on the City's 2006 business license records, there were approximately 1,800 businesses employing about 55,000 people in the City and occupying 22.7 million square feet of buildings.

Firms that have located in this area comprise a healthy mix of Fortune 500 companies and smaller, independent firms. They include light manufacturing facilities as well as corporate headquarters and branch offices. Prominent names include Edward Jones, The Reliable Insurance Company, Scottrade, St. Louis Post Dispatch, GMAC Insurance, Unisys, TALX, Watlow Electric, Reynolds Aluminum Supply Co., E.I. du Pont de Nemours, Worldwide Technologies, Express Scripts and United Healthcare of the Midwest.

The City of Maryland Heights includes several businesses and entertainment centers. Westport Plaza is a mixed-use office/hospitality/entertainment complex that has approximately 370,000 square feet of office space, 20 restaurants, 509 hotel rooms and conference facilities in two Sheraton hotels. Westport Business Park, constructed in 1998, now includes 530,000 square feet of business service center and distribution space. Riverport Business Park is a 550-acre planned development that contains over 2.26 million square feet of office space. This business park includes the corporate headquarters for Express Scripts and Unigraphics Inc.; service centers for Magellan Behavioral and United Healthcare; three hotels, Holiday Inn, Wingate, and Homewood Suites; Verizon Wireless Amphitheater; and Dave and Busters, a 550-seat entertainment restaurant. The Lakeside Crossing Business Park is under construction. This business park sits on 94 acres of land and includes 600,000 square feet of office space.

Among the entertainment attractions in Maryland Heights is Harrah's St. Louis, a casino encompassing approximately 120,000 square feet with slot machines, gaming tables, bars, and public space. Adjacent to the gaming facilities is a hotel that includes 500 rooms, entertainment facilities, five restaurants and gift shops.

There are numerous retail stores and strip centers along the main arteries of Maryland Heights, which include Dorsett, Page and Lindbergh.

## *Economic Development*

Several planned transportation improvements are expected to contribute to the future growth and development of the area. The westward extension of state highway D (Page Avenue) across the Missouri River into St. Charles County opened in 2004. The Page Avenue extension has enhanced access to Maryland Heights from adjacent communities. Also in 2004, the City of Maryland Heights Expressway was completed. The expressway connects the Page Avenue Extension to Earth City Expressway.

Presently under development on the southeastern portion of the City, bounded generally by Lindbergh Boulevard and Page Avenue, is a 242-acre area, known as the South Heights Redevelopment Area. When completed, the area is expected to include 1.1 million square feet of office and distribution center facilities. For additional information regarding the financial impact of the tax increment financing program, see the caption "FINANCES OF THE CITY - Tax Increment Financing."

The City has also approved a tax increment financing district that will include a 550-room conference-style full service hotel and a 200,000 square foot class A office building. The project required the condemnation of adjacent properties for improved access to the site, which delayed the construction start.

In 2003, the City approved a tax increment financing district along the eastern portion of the Dorsett corridor. The plan for redevelopment anticipates up to one million square feet of new commercial, retail and residential development.

The availability of land provides opportunities for continued growth of the City's industrial base. Of the City's estimated 23 square miles of land area, approximately 40% is undeveloped.

#### *Major Employers*

The following table sets forth information regarding the largest employers currently located within the City.

<b>Name</b>	<b>Product or Service</b>	<b>Employees</b>
Express Scripts	Pharmacy Benefit Management Services	2,005
Harrah's Riverport Casino and Hotel	Casino and Hotel	1,891
Edward Jones	Investment Brokerage Management	1,649
TALX	HR/Payroll Services	998
United Health Care of the Midwest	Direct Health and Medical Insurance Carriers	900
Schnucks Markets, Inc.	Corporate Offices of Retail Grocers	743
Quest Diagnostics Clinical Laboratories	Medical Laboratory	521
Watlow Electric Manufacturing Co.	Electric Heaters	465
Elsevier	Book Publishers	350
St. Louis Post Dispatch	News Paper Publishers	312

*Source: City of Maryland Heights Department of Community Development*

#### *Employment*

According to the United States Bureau of Census, in the year 2000, the City's civilian labor force was 15,531. The total number of people that were unemployed was 428, which was an unemployment rate of 2.8%. The City's unemployment rate compared favorable to St. Louis County, which had an unemployment rate of 4.6%



## Building and Construction Data

The following table sets forth the construction value of projects permitted in the years on the chart. Residential construction is represented as a new single family structures and commercial construction is representative of the square footage modified or added and the construction value of the modifications or additions.

Year	Residential		Commercial		Total Value
	Number of Units Built	Value	Square Footage	Value	
2003	12	1,343,000	1,175,728	37,520,266	38,863,266
2004	8	1,430,249	2,146,359	81,100,512	82,530,761
2005	26	2,414,257	1,866,531	39,425,661	41,839,918
2006	6	1,332,689	2,514,282	56,905,794	58,238,483

Source: City of Maryland Heights, Department of Community Development

## Assessed Valuation

Assessment of real property pursuant to the Constitution of Missouri requires such property to be classified in subclasses consisting of agriculture, residential or commercial and permitting different assessment ratios for each subclass and requires uniformity in taxation of real property within each subclass. Pursuant to the Constitution, agricultural property is assessed at 12% of its productivity value, residential property is assessed at 19% of true value, and commercial property is assessed at 32% of true value. Personal property is assessed at 1/3 of book value. In 1986, the State Legislature passed a bill requiring reassessment of all real properties every two years, beginning in 1987.

The following table indicates the assessed valuation for the City for the past five tax years (excluding the incremental value of property located in TIF areas.)

Property	2002	2003	2004	2005	2006
Residential	\$ 196,691,920	211,556,220	224,108,460	261,529,290	262,074,070
Commercial	404,587,530	420,375,300	428,719,890	477,269,310	486,823,654
Agricultural	351,060	361,910	374,260	401,650	403,850
Railroad & Utility	8,520,300	8,039,826	8,598,230	7,659,354	
Personal	226,416,258	213,084,127	199,005,080	211,483,514	213,958,918
Totals	\$ 836,567,068	853,417,383	860,805,920	958,343,118	963,260,492

Source: St. Louis County, Office of the Assessor

## Housing

The following table sets forth statistics from the 2000 census relating to housing for the City and, for comparative purposes, of other census entities.

	2000 Median Value of Owner <u>Occupied Housing</u>	% Built 1990-2000 <u>Census</u>	% Built Before <u>1939</u>
City of Maryland Heights	\$ 107,900	6.1%	1.6%
Other Entities:			
St. Louis County	116,600	9.8%	9.9%
St. Louis MSA	70,000	16.2%	20.5%
State of Missouri	89,900	17.0%	16.2%

Source: U.S. Department of Commerce, Bureau of Census

## Income

The following table sets forth certain income statistics from the 2000 census for the City and for comparative purposes of other census entities.

	Per Capita Income <u>1999 (dollars)</u>	Median Family Income In <u>1999 (dollars)</u>	% People Below <u>Poverty Level</u>
City of Maryland Heights	\$ 24,918	\$ 58,487	5.3%
Other Entities:			
St. Louis County	27,595	61,680	6.9%
St. Louis MSA	22,152	52,402	11.9%
State of Missouri	19,936	46,044	11.7%

Source: U.S. Department of Commerce, Bureau of Census

## COMMUNITY SERVICE

### Utilities

Stormwater drainage and sewage collection and treatment for Maryland Heights are provided by the Metropolitan St. Louis Sewer District, a separate taxing authority established under Section 30 of Article VI of the Constitution of Missouri and financed by ad valorem taxes and user fees. Missouri-American Water Company provides water, Laclede Gas Company provides gas and AmerenUE provides electricity.

## *Communications*

AT&T (formerly SBC Communications) is the largest provider of telecommunication services in Maryland Heights. Residents of Maryland Heights receive all St. Louis radio stations and television channels. Local newspapers include The St. Louis Post Dispatch, the North/West County Journal, a weekly paper, and the St. Louis Countian, a legal newspaper published daily.

## *Entertainment and Recreation Activities*

Maryland Heights is one of the entertainment centers of the St. Louis metropolitan area.

Westport Plaza offers a wide range of entertainment and dining options including restaurants, pubs, musical/dancing facilities, and a comedy club. The Verizon Wireless Amphitheater is an outdoor facility that seats 20,000 and operates from April through September each year and hosts a wide range of major concerts. Stand-up comics are featured at Westport Plaza's Funny Bone Comedy Club. Gaming, entertainment and dining facilities are offered at the Riverport Casino Center.

The City owns six parks that collectively encompass approximately 144 acres. Facilities available include picnic grounds, pavilions, nature area trails, volleyball courts and softball fields. In 1998, the City constructed Aquaport, an aquatic center with water play structures such as slides and waterfalls. The aquatic center also has a lazy river, lap swimming pool, sun deck, maintenance building, bathhouse, and shade structures. In 1999, the City completed construction of Sportport, an athletic complex featuring twelve soccer fields, and purchased and rehabilitated a building that became the Maryland Heights Community Centre. It encompasses 42,000 square feet and features a 2,700 square foot senior citizens' center, multi-purpose rooms, craft rooms, a fitness center, a 6,000 square foot ballroom, two kitchens and administrative offices.

Also within the City is the 2,000-acre Creve Coeur Memorial Park, owned by St. Louis County. This park includes a 320-acre lake for sailing, canoeing and fishing, plus a long sandy beach for sunning. Creve Coeur Memorial Park also has picnic areas, hiking trails, a group tent camping area, athletic fields, and tennis courts.

Residents are also within easy commuting distance from numerous St. Louis and St. Louis County attractions including the St. Louis Arch, St. Louis Zoological Park, Six Flags Over Mid-America theme park, the Missouri Botanical Gardens, and the St. Louis Symphony.

## *Education*

Primary and secondary education in the City is provided by the Pattonville R-III School District and Parkway C-2 School District. Higher education is provided by the Junior College District of St. Louis, a state supported community college and by several universities located in the St. Louis metropolitan area that are easily accessible to residents of Maryland Heights. They include St. Louis University, Washington University and the University of Missouri-St. Louis. Additionally, Maryville University, University of Phoenix, Allied Medical College,

Hickey College, Keller Graduate School of Management, Lindenwood University, and Washington University have campuses and/or satellite offices located within the City.

### *Medical*

Within a 5-mile radius of the City are three highly recognized hospitals: DePaul Health Center, St. John's Mercy Medical Center and Missouri Baptist Medical Center. DePaul, an acute care hospital with 450 beds, offers specialized cardiac care and microsurgery. St. John's Mercy Medical Center is the largest Catholic hospital in the United States with 859 beds and one of the two largest medical facilities in metropolitan St. Louis. Its maternity service is the largest in Missouri and one of the largest in the nation. St. John's also operates the largest burn center in the state. Missouri Baptist is a 489-bed, acute care facility noted for innovation and excellence in surgery.

In addition, numerous doctors, dentists, and chiropractors provide medical services from offices and clinics in the City. The healthcare needs of the elderly are also provided by several long-term care facilities located in Maryland Heights.

### *Police Protection*

The City's police department has 78 officers and offers a variety of community services including neighborhood watch, business watch and a hotline providing weekly updates of criminal activity and major arrests occurring in the City. The department sponsors numerous community service programs including Drug Abuse Resistance Education (DARE), a drug awareness program aimed at young people, crime watch hotline, neighborhood watch, bicycle safety and registration, and vacation watch, among others.

### *Fire Protection*

Fire protection is provided primarily by Maryland Heights Fire Protection District and by Pattonville-Bridgeton Terrace Fire Protection District. Monarch Fire Protection District and Creve Coeur Fire Protection District also serve small portions of the City. The fire protection districts are independent of the City, having their own officials, budgets, and powers of taxation. There are two fire stations located in the corporate limits of the City.

## **FINANCES OF THE CITY**

### *Accounting and Reporting Practices*

Annually, since 1987, the City of Maryland Heights has been awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, the content of which must conform to GFOA's program standards. The report must also satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The accounts of the City are organized on the basis of funds and account groups, in conformance with accounting principles generally accepted in the United States of America. All funds of the City are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available and expenditures are recognized when the related fund liability is incurred.

The City operates on a fiscal year that corresponds to the calendar year.

The City Council annually engages an independent certified public accountant for the purpose of performing an audit of the books of accounts, financial records, and transactions of the City.

#### *Investments*

The City of Maryland Heights has a written investment policy. Under the policy, the City may invest in securities authorized by State law including obligations guaranteed by the United States or its agencies, certificates of deposit that are fully collateralized or insured by the Federal Deposit Insurance Corporation and repurchase agreements in which the City has an undivided interest in the securities pledged as collateral. Presently, the majority of the City's investments are in securities of United States agencies.

#### *Budget Process*

Annually, since 1988, the City has been awarded the Government Finance Officers Association Distinguished Budget Presentation Award. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication medium.

The City Administrator prepares an annual budget for the ensuing fiscal year. The budget is based upon information provided by the various City departments and employees. After a proposed budget is prepared, it is submitted to the City Council for review. The City Council may revise, alter, increase or decrease the items contained in the proposed budget, provided that total authorized expenditures from any fund do not exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. The budget is legally enacted following a public hearing on the proposed budget.

Pursuant to the Missouri Revised Statutes, the annual budget must present a complete financial plan for the ensuing fiscal year, and must include at least the following information:

- A budget message describing the important features of the budget and major changes from the preceding year;
- Estimated revenue to be received from all sources for the budget year, with a comparative statement of actual or estimated revenues for the preceding two years, itemized by year, fund, and source;
- Proposed expenditures for each department, office, commission, and other classifications for the budget year, together with a comparative statement of actual or estimated expenditures for the preceding two years, itemized by year, fund, activity and object;
- The amount required for the payment of interest, amortization, and redemption charges on debt; and
- A general budget summary.

During the year, transfers exceeding \$10,000 between programs within a fund and department require prior approval of the City Council. In order to accommodate the potential changes in City revenues and demand for services, as well as to provide greater flexibility in the budgetary process, the City Council reviews the budget at mid-year in order to make any necessary adjustments or corrections.

In addition to the regular operating budget, the City updated a five-year Capital Improvement Plan in 2006 for the period 2007-2011.

### *The General Fund*

In accordance with established procedures for government units, the City records its financial transactions under various funds. The largest is the General Fund, from which all general operating expenses are paid and to which taxes and all other revenues not specifically allocated by law or contractual agreement to other funds are deposited.

The following table indicates the City's General Fund revenues, expenditures, and changes in fund balance for the fiscal years ended December 31, 2002 through 2006 based on audited financial statements of the City.

City of Maryland Heights

General Fund  
Revenue, Expenditures and Changes in Fund Balance

	\$ in thousands:				
	2002	2003	2004	2005	2006
<b>REVENUES</b>					
Municipal Taxes	\$ 11,290	11,440	12,887	13,357	13,634
Licenses, permits, fines, and fees	2,865	2,810	3,156	2,985	3,276
Parks & Recreation	1,468	1,286	-	-	-
Intergovernmental income	306	283	290	306	389
Interest Income	1,229	639	362	975	2,124
Miscellaneous Revenues	192	191	202	325	161
<b>Total Revenues</b>	<u>17,350</u>	<u>16,649</u>	<u>16,897</u>	<u>17,948</u>	<u>19,584</u>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Legislative	115	131	131	131	141
General services	1,146	1,138	1,069	1,502	1,447
Finance and accounting	1,574	1,374	1,394	1,173	1,089
Community development	920	952	1,027	1,097	1,169
Public works	2,219	2,373	3,164	3,174	3,314
Police services	6,694	6,977	7,402	7,665	8,156
Judicial	192	211	239	236	253
Parks and Recreation	3,080	3,080	203	197	189
Human Services	174	204	215	252	256
Capital Outlay	637	637	333	400	370
<b>Total expenditures</b>	<u>16,751</u>	<u>17,077</u>	<u>15,177</u>	<u>15,827</u>	<u>16,384</u>
<b>REVENUES OVER EXPENDITURES</b>	599	(428)	1,720	2,121	3,200
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	1,329	1,791	490	500	480
Operating transfers out	-	(28)	(2,821)	(306)	(339)
Special item - contribution to OPEB	-	-	(2,000)	-	-
<b>Total</b>	<u>1,329</u>	<u>1,763</u>	<u>(4,331)</u>	<u>194</u>	<u>141</u>
<b>REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	1,928	1,335	(2,611)	2,315	3,341
<b>FUND BALANCE</b>					
<b>BEGINNING OF YEAR</b>	<u>25,316</u>	<u>27,244</u>	<u>28,579</u>	<u>25,968</u>	<u>28,283</u>
<b>FUND BALANCE</b>					
<b>END OF YEAR<sup>(1)</sup></b>	<u>\$ 27,244</u>	<u>28,579</u>	<u>25,968</u>	<u>28,283</u>	<u>31,624</u>
(1)	Fund balance at the end of 2006 is comprised of reservations of \$69,779 for encumbrances, \$396,588 for prepaid expenditures, \$2,820,541 for advance to TIF Fund, and \$5,950,000 for advance to Special Park Fund. \$23,006,231 is unreserved fund balance.				

Source: City of Maryland Heights, 2006 Comprehensive Annual Financial Report

*Reserves*

A City ordinance requires the annual budget to include an unrestricted reserve. The purpose of the reserve is to meet the requirements of unanticipated expenditures, major revenue shortfalls, or an emergency. The 2007 budget includes a healthy reserve of approximately \$10.4 million.

## *Tax Increment Financing*

Pursuant to the State of Missouri's Real Property Tax Increment Allocation Redevelopment Act (the Act), cities and counties may implement Tax Increment Financing in order to induce the development of an area that has been lacking growth and development and to eliminate conditions that have caused an area to become a conservation or blighted area as such terms are defined in the Act. Tax Increment Financing provides a source of funds by which a city may pay for redevelopment project costs (as defined by the Act) over a period of not longer than twenty-three years from the date in which Tax Increment Financing was adopted.

Pursuant to the Act, a city designates Tax Increment Financing (TIF) by adopting an ordinance approving a Redevelopment Plan and designating a Redevelopment Area. The certified total assessed valuation of all real property within a Redevelopment Area, as determined by the St. Louis County Assessor, is considered the initial equalized assessed valuation. All taxes collected by applying the tax rate of all taxing bodies having the power to tax real property in the Redevelopment Area upon any increase in the equalized assessed valuation over the initial equalized assessed valuation is deposited in a Special Allocation Fund for the Redevelopment Area. Such incremental taxes are referred to as "Payments in Lieu of Taxes." In addition, fifty percent (50%) of the total additional revenue from taxes that are imposed by a city or other taxing districts and that are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area, are deposited in the Special Allocation Fund. Monies in the Special Allocation Fund may be used for payment of Redevelopment Project Costs or for payment of principal and interest on obligations issued to finance Redevelopment Project Costs.

In 1996, the City adopted a Tax Increment Financing Plan, and pursuant to the Act, designated by ordinance a 246-acre redevelopment area known as the South Heights Redevelopment Area. The initial assessed value of the area is \$16.9 million. The City has approved the issuance of \$15,750,000 in TIF financing as part of the \$80 million project. The City has issued \$16,903,219 of the notes to Duke Realty, the planned developer.

In 1997, the City adopted a second Tax Increment Financing Plan, and pursuant to the Act, designated by ordinance a 55-acre redevelopment area known as the Page Avenue/I-270 Redevelopment Area. The City entered into a developer agreement with HBE, Inc. to construct a conference style hotel with 540 rooms and up to 400,000 square feet of new office development. The assessed value before redevelopment is \$1.5 million and is expected to be \$26 million afterward. The City has authorized \$15,120,000 in TIF financing for this project. No notes have been issued to date.

In 2003, the City adopted a third Tax Increment Financing Plan, and pursuant to the Act, designated by ordinance a redevelopment area known as the Dorsett Redevelopment Area. A mixture of residential, commercial and retail uses is anticipated. The City is the appointed developer. No notes have been authorized or issued to date.



The majority of incremental revenues described hereinbefore will be derived from sales taxes of St. Louis County and of taxing bodies other than Maryland Heights that impose property taxes. The City's only expected revenues to be deposited into the Special Allocation Funds are from utility tax and park/stormwater sales tax. Accordingly, tax increment financing is not expected to have any material impact on the finances of the City.

## SOURCES OF REVENUE

### General

The City derives its revenues from a variety of sources. The following list sets forth the budget basis revenues in the City's General Fund for 2006.

Revenue Source	Revenues	Percentage of Total Revenues
<b>TAXES:</b>		
Gaming	\$ 4,023,640	20.82 %
Sales	3,460,344	17.91
Utility tax-gross receipts	3,908,370	20.22
Other	2,241,925	11.60
	<u>13,634,279</u>	<u>70.55</u>
LICENSES, PERMITS, FINES AND FEES	3,275,992	16.95
INTERGOVERNMENTAL	388,751	2.01
INVESTMENT INCOME	1,854,913	9.60
OTHER	171,821	0.90
	<u>\$ 19,325,756</u>	<u>100.00 %</u>

Source: City of Maryland Heights, 2006 Comprehensive Annual Financial Report

### Gaming Revenues

In March of 1997, Harrah's Entertainment Inc. began operating a riverboat casino in the City (see "GAMING IN MARYLAND HEIGHTS".)

Per State statute, the City receives \$1.00 for each person embarking on an excursion gambling boat or dock. In addition, the State imposes a 20% tax on adjusted gross receipts from gaming and distributes 10% of the amount it receives to the City.

Beginning with the fiscal year 2004, the City Council has ordered that gaming revenues are allocated as follows:

- First, an amount equal to the debt service payments for the Government Center for the fiscal year shall be deposited in the 2003 Leasehold Revenue Bonds Debt Service Fund
- Second, an amount equal to 15% of all gambling taxes received, or two million one hundred thousand dollars, whichever is greater, shall be deposited in the General Fund
- Third, an amount equal to 5% of all gambling taxes received shall be deposited in the Reserve Fund

- Fourth, an amount equal to the cost of basic residential trash collection for that fiscal year shall be deposited in the General Fund
- Fifth, an amount equal to 50% of all gambling taxes less the amount deposited in the 2003 Leasehold Revenue Bonds Debt Service Fund shall be deposited in the Capital Improvements Fund
- Sixth, all remaining gambling tax revenues shall be deposited in the Regional Infrastructure Fund.

The following table sets forth the total gaming tax revenue in all funds for the past five years.

<u>Fiscal Year</u>	<u>Amount</u>
2002	\$ 14,719,237
2003	13,300,709
2004	15,457,468
2005	15,607,319
2006	16,070,698

*Source: City of Maryland Heights, 2006 Comprehensive Annual Financial Report*

#### *Utility Tax - Gross Receipts*

For the 2006 Fiscal Year, the City's second largest source of revenue in the General Fund was from the City's gross receipts tax on utilities. Maryland Heights charges 5.5% on the gross receipts of electric, gas, telephone and water companies in the City.

#### *Sales Tax*

In St. Louis County, the County collects local sales taxes. Within the County, some cities are "pool" cities and some cities are "point-of-sale" cities. Point-of-sale cities may impose a sales tax of up to 1.25% for general purposes. Under a statutory formula, point-of-sale cities must contribute up to 15% of the sales tax to a pool for distribution to pool cities and receive the balance of sales tax revenues generated within their borders. The County imposes a 1% sales tax in all portions of the County in which a local sales tax is not in effect and contributes a portion of the tax to the pool for distribution to pool cities. Pool cities receive sales tax from the pool on a per capita basis. Maryland Heights is a pool city with respect to its general sales tax. As described under the section "Park and Stormwater Sales Tax", the City is a point-of-sale city with respect to the Park and Stormwater Sales Tax.

As a pool city, Maryland Heights' sales tax receipts in the General Fund are dependent upon retail sales activities of all cities in St. Louis County and the population of Maryland Heights relative to all cities that participate in the pool. The following table sets forth the total general sales tax receipts of the City for the past five years.

<u>Fiscal Year</u>	<u>Amount</u>
2002	\$ 3,098,908
2003	3,057,166
2004	3,282,370
2005	3,494,069
2006	3,460,344

*Source: City of Maryland Heights, 2006 Comprehensive Annual Financial Report*

#### *Park and Stormwater Sales Taxes*

In November 1995, voters approved a 0.5% sales tax for park and stormwater projects. For purposes of this tax the City is a point-of-sale city and receives 100% of the taxes attributable to retail sales within its corporate limits. By statute, this tax may be used solely for funding parks and stormwater projects and for the cost of operating such improvements. In 1997, the Maryland Heights, Missouri Public Facilities Authority issued Leasehold Revenue Bonds, Series 1997 to finance various park improvements in the City. The City uses a portion of the tax to pay all of the principal and interest on the Series 1997 Bonds.

#### *Property Taxes*

The City does not levy any ad valorem property tax. Any future property tax imposed by the City would be subject to voter approval except for taxes imposed for the payment of any future voter approved general obligation bonds.

### **GAMING IN MARYLAND HEIGHTS**

Although the City has no authority to levy or pledge a separate or specific tax or revenue source for payment of the Series 2003 Leasehold Revenue Bonds, it is anticipated that funds for the payment of the principal and interest will be derived from the City's gaming revenue. The following is a summary of the gaming facilities in Maryland Heights and the regulations affecting operations of such facilities.

#### *Missouri Regulation*

The gambling facility in Maryland Heights is Harrah's St. Louis, operated by Harrah's Maryland Heights LLC, an indirect subsidiary of Harrah's Entertainment, Inc.

The ownership and operation of a gaming riverboat in Missouri is subject to extensive regulation pursuant to the Missouri Riverboat Gambling Act and the rules and regulations promulgated thereunder. The five-member Missouri Gaming Commission is charged with such regulatory authority, including the issuance of riverboat gaming licenses. Licenses are granted for two-year terms. A holder of a license is subject to the imposition of penalties, suspension or revocation of its license for any act that is injurious to the public health, safety,

morals, good order and general welfare of the people of the State of Missouri, or that would discredit or tend to discredit the Missouri gaming industry or the State of Missouri. An ownership interest in a license or in a business entity, other than a publicly held business entity that holds a license, may not be transferred without the approval of the Gaming Commission.

Gaming in Missouri can be conducted legally only on either excursion gambling boats or floating facilities on the Mississippi and Missouri Rivers. Unless permitted to be continuously docked by the Gaming Commission for certain stated reasons, including safety, excursion gambling boats must cruise. Harrah's Maryland Heights LLC has been issued licenses to operate a floating facility. The license was renewed in February 2004.

Even if continuously docked, licensed riverboats must establish and abide by an excursion schedule. Riverboat excursions are required to be a minimum of two hours and maximum of four hours. For the riverboat in Maryland Heights, which is continually docked, passengers may board the riverboat or disembark at any time. There is a state-ordered maximum loss per person per excursion of \$500.

There is a 20% tax on adjusted gross receipts (generally defined as gross receipts less payments to customers as winnings) from gambling. The tax imposed is to be paid by the licensed owner to the Gaming Commission on the day after the day when the wagers were made. Of the proceeds of that tax, 10% goes to the local government where the home dock is located and the remainder goes to the State.

The legislation also requires that licensees pay a \$2.00 admission tax for each person admitted to a gaming excursion of which \$1.00 is distributed to the local government. The licensed owner is required to maintain public books and records clearly showing amounts received from admission fees, the total amount of gross receipts and total amount of adjusted gross receipts.

## *Harrah's Entertainment*

Harrah's Entertainment, Inc., through its subsidiary, Harrah's Operating Company, Inc., operates casino entertainment facilities primarily in the United States. As of December 31, 2006, it operated 48 casinos, including 28 land-based casinos, 12 riverboat or dockside casinos, 1 combination thoroughbred racetrack and casino, 1 combination greyhound racetrack and casino, 1 harness racetrack, 4 managed casinos on Indian lands, and 1 managed casino in Canada. The company operates its casino entertainment facilities primarily under the Harrah's, Caesars, and Horseshoe brand names. Its facilities also comprise hotel and convention space, restaurants, and non-gaming entertainment facilities. The company was founded in 1937 and is based in Las Vegas, Nevada.

Harrah's St. Louis has 120,000 square feet of casino space with 2,900 slot machines, 69 games, 12 poker tables, 12,000 square feet of convention space, eight restaurants and a 502-room hotel

For fiscal year 2006, Harrah's reported operating income of \$1.55 billion, an increase of 58.5% from 2005.

Future operations may be affected by changes in laws (including increased tax rates), regulations of accounting standards, third-party relations and approvals, and decisions of courts, regulators and government bodies; competition; economic downturns that reduce discretionary spending; disruptions in airline travel and business conventions; and regulations resulting in increased homeland security spending. Harrah's is predominantly uninsured for losses and interruptions caused by terrorist acts and acts of war.

Harrah's Entertainment Inc., is a publicly traded company (NYSE ticker symbol: HET.) Additional information may be obtained on-line from the Securities Information from the SEC EDGAR database at <http://www.secinfo.com> or by writing to the Securities and Exchange Commission.

## **DEBT OF THE CITY**

### *Outstanding Debt*

The City has no outstanding general obligation bonds.

### *General*

On August 2, 1988, an amendment to the Missouri Constitution was approved that decreased the vote required to pass a proposition to issue general obligation bonds payable from unlimited ad valorem taxes from two-thirds (2/3) to four-sevenths (4/7) of the qualified voters voting thereon for elections held at the general municipal election day, primary or general elections. A vote of two-thirds (2/3) of the qualified voters voting on the specific general obligation bond proposition is required at all other elections.

The Missouri Constitution provides that the amount of bonds payable out of tax receipts shall not exceed 10% of the total assessed valuation of the taxable property of the City. The Missouri Constitution permits the City to become indebted for an additional 10% of the value of taxable, tangible property for the purpose of acquiring rights-of-way, constructing, extending, and improving streets and avenues; and constructing, extending and improving sanitary or storm sewer systems. TIF notes and leasehold revenue bonds payable from annual appropriations do not require voter approval and do not count against the constitutional debt limitation.

*Legal Debt Limit and Debt Margin*

The following table sets forth the City's legal debt limit and debt margin.

	City Purposes <u>Basic Limit</u>	Street and Sewer <u>Additional Limit</u>
2006 Assessed Value	\$963,260,492	\$963,260,492
Debt Limit - 10% of Assessed Value	96,326,049	96,326,049
Less: General Obligation Bonds	0	0
Legal Debt Margin	<u>\$96,326,049</u>	<u>\$96,326,049</u>

*Source: City of Maryland Heights 2006 Comprehensive Annual Financial Report*

*Direct and Overlapping Debt*

The following table sets forth information relating to the direct and overlapping general obligation debt of the City.

	General Obligation Debt	Percent Applicable to the City	City's Direct and Overlapping Debt
City of Maryland Heights	\$ 0	100.0	\$ 0
St. Louis County	88,615,000	4.6	4,048,215
Monarch Fire Protection District	3,400,000	0.5	17,010
Pattonville Fire Protection District	900,000	26.5	238,759
Pattonville School District	45,235,000	41.7	18,861,043
Parkway School District	123,527,349	9.8	12,125,002
Total \$	<u>261,677,349</u>		<u>\$ 35,290,029</u>

*Source: The above-named jurisdictions*

## Lease Obligations

The following is a list of currently outstanding lease obligations of the City:

<u>Issue</u>	<u>Amount</u>
City of Maryland Heights, Missouri, Public Facilities Authority, Leasehold Revenue Bonds, Series 1997	\$2,960,000
City of Maryland Heights, Missouri, Public Facilities Authority, Leasehold Revenue Bonds, Series 2003	<u>10,005,000</u>
	<u>\$12,965,000</u>

Obligations secured by annually appropriated funds do not constitute indebtedness for purposes of any Missouri statutory or constitutional debt limit. Such obligations are payable solely from available funds of a governmental body and neither taxes nor a specific source of revenues may be pledged to make payments on such obligations. Any increase in taxes required to generate additional funds with which to make payments on such obligations would be subject to voter approval.

Although a specific source of revenues may not be pledged to make debt service payments on lease obligations, the City has paid and intends to continue paying the principal of and interest on the Series 1997 Bonds with revenues from the Park and Stormwater Sales Tax and intends to pay the principal of and interest on the Series 2003 Bonds with gaming revenues.

The following table sets forth the debt service requirements on the City's outstanding Leasehold Revenue Bonds.

<u>Years</u>	<u>Series 1997 Bonds</u>		<u>Series 2003 Bonds</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2007	1,450,000	106,678	685,000	392,770	2,634,448
2008	1,510,000	36,360	705,000	375,645	2,663,365
2009			725,000	355,553	1,080,553
2010			745,000	332,353	1,077,353
2011			775,000	306,278	1,081,278
2012			800,000	276,828	1,076,828
2013			835,000	244,828	1,079,828
2014			870,000	210,593	1,080,593
2015			905,000	173,618	1,078,618
2016			945,000	134,250	1,079,250
2017			985,000	92,198	1,077,198
2018			1,030,000	47,380	1,077,380
Total	\$ 2,960,000	\$ 143,038	\$ 10,005,000	\$ 2,942,294	\$ 16,086,692

Source: City of Maryland Heights, Department of Finance

### *Future Debt*

The City has no current plans for the future issuance of general obligations bonds or lease obligations.

### *Listed Events*

The City will file with each National Repository and any Missouri state information depository or the Municipal Securities Rulemaking Board notice of the occurrence of any of the following events, if such event is material:

- Principal or interest payment delinquencies;
- Non-payment related defaults;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- Modifications to rights of holders of the Bonds;
- Bond calls;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds;
- Rating changes.

The City has had no occurrence of a listed event in connection with the Bonds.

### **ADDITIONAL INFORMATION**

Additional information relating to the City or the Bonds is available from the Finance Department of the City of Maryland Heights, 212 Millwell Drive, Maryland Heights, Missouri, 63043 or (314) 291-6550.



# City of Maryland Heights, Missouri



Comprehensive Annual Financial Report  
For The Year Ended December 31, 2006

**CITY OF MARYLAND HEIGHTS, MISSOURI**

**Comprehensive Annual Financial Report  
For The Fiscal Year Ended December 31, 2006**

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

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

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

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**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**INTRODUCTORY**

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**SECTION I - INTRODUCTORY SECTION**

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**PRINCIPAL OFFICIALS**  
**DECEMBER 31, 2006**

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**MAYOR**

G. Michael Moeller

**CITY COUNCIL**

Judith H. Barnett  
Edwin L. Dirck, Jr.  
Norman A. Rhea  
Kenneth E. Gold  
Donald A. Hunt  
Daniel L. Johnson  
Mary F. Nichols  
Carol S. Turner

**CITY ADMINISTRATOR**

Mark M. Levin

**CITY CLERK**

Marcia L. Jones

**CHIEF OF POLICE**

Thomas P. O'Connor

**DIRECTOR OF PUBLIC WORKS**

Bryan Pearl

**DIRECTOR OF FINANCE**

David V. Watson

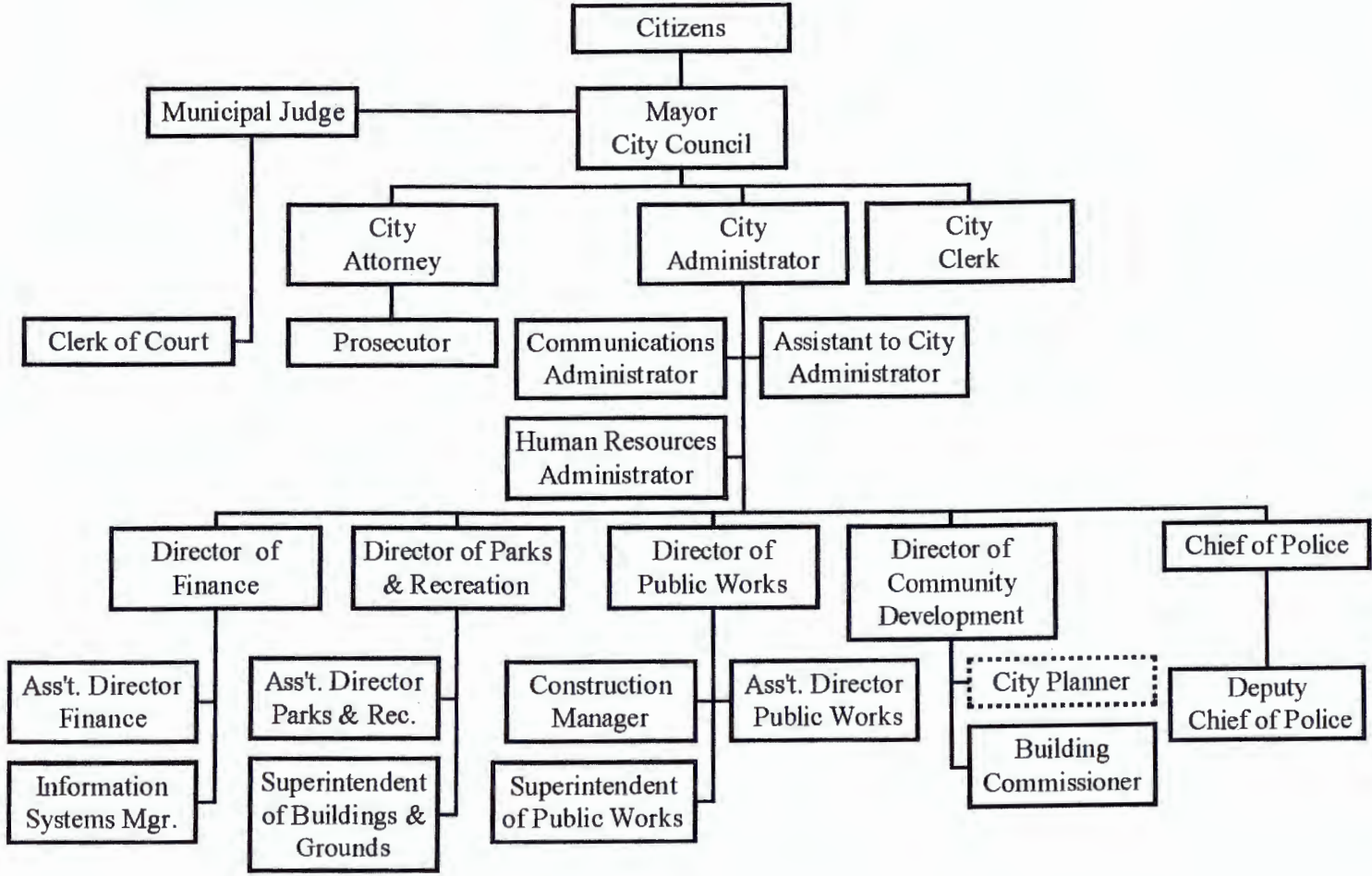
**DIRECTOR OF COMMUNITY DEVELOPMENT**

J. Wayne Oldroyd

**DIRECTOR OF PARKS AND RECREATION**

Mary L. Vaughan

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**ORGANIZATIONAL CHART**



# 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, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director





June 30, 2007

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, 2006, is hereby submitted. This report was prepared in conformance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by an independent firm of licensed certified public accountants.

The Comprehensive Annual Financial Report is presented in three sections:

1. The Introductory Section includes this transmittal letter, the 2005 Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting, a list of the City's principal officials, and the City's organization chart.
2. The Financial Section includes the independent auditors' report, MD&A, basic financial statements for the City, and required supplementary information, as well as other supplementary information.
3. The Statistical Section includes unaudited financial data and demographic information, generally presented on a multi-year basis. This year's report conforms to new requirements for statistical tables in governmental financial reporting standards.

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 require 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, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended December 31, 2006 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report. The City's Finance Department prepared this 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 currently covers about 23.4 square miles and serves a population of 27,346 residents occupying about 12,200 housing units. The business community is quite diverse with 1,650 businesses employing 55,000 people. Also notable is the existence of over 3,200 hotel rooms, a casino, a 20,000 capacity outdoor amphitheater, and other popular nightlife activities. On a busy day, more than 120,000 people will live, shop, work, visit, or stay in the City.

The City was incorporated on May 9, 1985 after citizens voted in November 1984 to incorporate the area. The City is a third-class city under Missouri law and has adopted the Mayor/Council/City Administrator form of government. The legislative body consists of eight council members and a 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 must vote in the event of a tie by the City Council. The Mayor also has veto power.

The Mayor and Council are responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the City Administrator, City Clerk, City Attorney, Prosecutor, and the Municipal Court Judge. The City Administrator is responsible for carrying out the policies and ordinances of the City Council and for overseeing the day-to-day operations of the City. The City Administrator is the Assistant to the Mayor and is responsible for the employment and discharge of City employees pursuant to policies adopted by the City Council.

The City provides a full 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 the provisions of Government Accounting Standards Board Statement No. 14, *The Financial Reporting Entity* (GASB No. 14). GASB No. 14 requirements for inclusion of component units are primarily based on whether the City's governing body has any significant amount of financial accountability for Potential Component Units (PCU). The City has determined that its financial reporting entity consists of the City (the primary government) and two blended component units: the Maryland Heights Public Facilities Board and the Industrial Development Authority of the City of Maryland Heights. There are no other PCU's that meet the requirements of GASB No. 14 and, as a result, this report includes all activities for which the City is financially accountable.

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 appropriation 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. 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. The budget is prepared by fund. It is broken down further by department, programs or projects within the department, then object of expenditures (i.e., personal services, contractual services, commodities, capital assets, debt service) within programs and finally, line items within the objects. Department heads, with the City Administrator's approval, may transfer funds within departmental programs/projects. The City Administrator is authorized to move funds within a department between programs/projects up to \$10,000. The Council must authorize transfers between departments or funds or any increase in a fund's budget. Budget-to-actual comparisons for the General Fund and Major Special Revenue Funds are provided in this report on page 40 through 44 as required supplementary information. For other governmental funds that have an adopted budget, comparison schedules are found in other supplementary information beginning on page 54.

## **Factors Affecting Financial Condition**

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

**Local Economy.** The City is a suburban community located in northwest St. Louis County, Missouri with a diverse economic base represented by a mixture of many industries, numerous commercial enterprises, office buildings, and support services. There are 20 hotels in the City comprising 3,248 rooms. Therefore, 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, SmithKline Bio Science Laboratories, Monsanto Chemical, Unisys, Coca-Cola, Watlow Electric, Reynolds Aluminum Supply Co., Worldwide Technologies, Express Scripts, and United Healthcare of the Midwest.

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

**Riverboat Gaming.** A large portion (about 39% in 2006) of the City's revenues is the result of taxes levied on the gaming facility operated by Harrah's Entertainment, Inc. 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. The Gaming Commission, along with the Missouri General Assembly, as it relates to legislative control of gambling, will have a major impact on the future financial condition of the City.

**Long-Term Financial Planning.** Each year the City updates its five-year capital improvement plan. Projects totaling over \$90 million are planned for the years 2007 through 2011. Planned road and bridge projects amount to over \$72 million, stormwater projects amount to over \$7 million, and government facilities total \$16 million, including a new government center. This aggressive investment in infrastructure and facilities is made possible through the use of sales taxes, revenues from the casino located in the Riverport area, grants, and the issuance of \$12 million in Leasehold Revenue Bonds.

**Cash Management Policies and Practices.** Pursuant to its policy, the City invests available cash resources of all funds in repurchase agreements, certificates of deposit, obligations of the United States Treasury, Federal Agencies of the United States, and instrumentalities of the United States. All cash, with the exception of certain bond proceeds, are pooled for investment purposes. The length of pooled investments range from one day to three years and the total investment income (including increase or decrease in the market value of securities held at year-end) amounted to \$2,739,645 in 2006.

**Risk Management.** The City is a charter member of a self-insurance risk pool, comprised of various municipalities in St. Louis County, which provides coverage for workers' compensation and property and casualty liability exposures. During 2006, the pool distributed dividends to its members. The City's share was \$36,799. Additional information on the City's risk management activities can be found in Note J in the notes to financial statements.

**Debt Administration.** At year-end, the City had two debt issues outstanding. These include \$2,960,000 in Leasehold Revenue Bonds for recreation facilities and \$10,005,000 in Leasehold Revenue Bonds issued in 2003 for the construction of a new government center.

The City has also issued a series of Tax Increment Financing (TIF) notes in cooperation with a developer (Duke Realty) for the purpose of paying a portion of the redevelopment costs of the South Heights Tax Increment Financing District Redevelopment Plan. The notes are considered a special limited obligation of the City and have been issued to Duke Realty. The City will make interest and principal payments in lieu of taxes attributable to the project site. During 2006, the City issued \$613,178 in TIF notes. The total outstanding at December 31, 2006 was \$16,903,219.

**Pension and Other Post-Employment Benefits.** Beginning in 2004, the City ceased regular contributions into a defined contribution plan but will make certain contributions to eligible employees' accounts for the next ten years and certain other payments to eligible employees who retire prior to 2009.

Also beginning in 2004, the City became a member of the Missouri Local Government Employees Retirement System (LAGERS), a statewide multi-employer defined benefit plan.

**Awards and acknowledgements.** The 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, 2005. This is the 17th 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 GAAP 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 has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report issued for the fiscal year ended December 31, 2005. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular

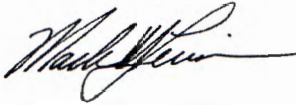
Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

In addition, the City has also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended December 31, 2006. 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**

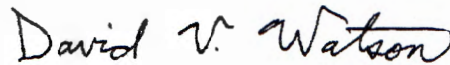
This report could not have been completed without the assistance of the entire administrative staff of the various departments of the City. Special thanks go to Assistant Director of Finance Cathy Williams for her contributions. We would also like to acknowledge our auditors, Hochschild, Bloom & Company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

Respectfully submitted,



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Mark M. Levin  
City Administrator



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David V. Watson  
Director of Finance

**SECTION II - FINANCIAL SECTION**

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

## **INDEPENDENT AUDITORS' REPORT**

June 18, 2007

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF MARYLAND HEIGHTS, MISSOURI** (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of December 31, 2006, and the respective changes in financial position for the year then ended, in conformity with U.S. generally accepted accounting principles.

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 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

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In accordance with *Government Auditing Standards*, we have also issued a report dated June 18, 2007 on our consideration of the City's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplemental information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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, as listed in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinions thereon.

Hochschild, Bloom + Company, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2006

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, 2006. 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 x of this report.

### Financial Highlights

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$121,449,464. Of this amount, \$30,812,213 may be used to meet the City's on-going obligations to citizens and creditors.
- The City's total net assets increased by \$14,163,644 primarily due to revenues exceeding expenses, investment in capital assets exceeding depreciation expense, and a decrease in long-term liabilities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$65,316,576, an increase of \$6,503,968 in comparison with the prior year. The amount of fund balances available for future discretionary spending (not including the government center project) was \$39,958,181 or 61% of the total.
- At the end of 2006, unreserved fund balance for the General Fund was \$23,006,231 or 138% of total General Fund expenditures and transfers for the year.
- The City's major source of revenue - taxes on casino gambling - totaled \$16,070,698 in 2006 or 38% of governmental fund total revenues. This represents an increase of 3% from 2005 when \$15,607,319 was received.
- The City's total long-term debt decreased by \$1,386,856, a drop of 4.3%.

### Overview of the Financial Statements

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

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

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

### Government-wide Financial Statements

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

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2006

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative, general administration, finance and accounting, community development, public works, police services, judicial, parks and recreation, and human services. The City does not operate any business-type activities.

The government-wide financial statements can be found on pages 15 and 16 of this report.

### **Fund Financial Statements**

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

**Governmental funds.** Governmental funds are used to account for essentially functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and the government-wide governmental activities.

The City maintains nineteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures,

## CITY OF MARYLAND HEIGHTS, MISSOURI

### Management's Discussion and Analysis

For The Year Ended December 31, 2006

and changes in fund balances for five major funds: General Fund, Special Park Fund, Regional Infrastructure Fund, Capital Improvements Fund, and Government Center 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 City adopts an annual appropriated budget for all governmental funds except for the Beautification Fund, South Heights TIF District Fund, Page/270 TIF Fund, 1997 Leasehold Revenue Bond Fund, and the Employee Supplemental Benefits Fund, which do not provide operational services. Budgetary comparison schedules have been provided to demonstrate legal compliance with the adopted budget.

The governmental funds financial statements can be found on pages 17 through 20 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds (which the City has none). The statement of fiduciary net assets can be found on pages 21 and 22 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 23 through 38 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 40 through 46 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 48 through 64 of this report.

### Government-wide Financial Analysis

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

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$121,449,464 at the close of the most recent fiscal year ended December 31, 2006.

By far the largest portion of the City's net assets (68%) 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; conse-

**CITY OF MARYLAND HEIGHTS, MISSOURI**

Management's Discussion and Analysis

For The Year Ended December 31, 2006

quently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The condensed statement of net assets is as follows:

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Current and other assets	\$ 69,943,495	63,213,462
Capital assets, net	<u>85,916,251</u>	<u>79,559,092</u>
Total Assets	<u>155,859,746</u>	<u>142,772,554</u>
<b>LIABILITIES</b>		
Long-term liabilities	30,556,873	31,943,729
Other liabilities	<u>3,853,409</u>	<u>3,543,005</u>
Total Liabilities	<u>34,410,282</u>	<u>35,486,734</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	82,956,251	75,219,092
Restricted	7,681,000	6,715,578
Unrestricted	<u>30,812,213</u>	<u>25,351,150</u>
Total Net Assets	<u>\$121,449,464</u>	<u>107,285,820</u>

An additional portion of the City's net assets (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$30,812,213) may be used to meet the City's ongoing obligations to citizens and creditors.

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

**Governmental activities.** Governmental activities increased the City's net assets by \$14,163,644. Key elements of this increase are as follows:

**CITY OF MARYLAND HEIGHTS, MISSOURI**

Management's Discussion and Analysis

For The Year Ended December 31, 2006

	<b>For The Years</b>	
	<b>Ended December 31</b>	
	<b>2006</b>	<b>2005</b>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 4,232,988	3,828,339
Federal, state, and county grants	3,618,659	2,458,230
General revenues:		
Gaming tax	16,070,698	15,607,319
Sales tax	7,616,477	7,831,881
Utility tax	4,208,938	4,296,972
Other taxes	1,724,046	1,441,762
Licenses and permits	755,277	756,823
Investment earnings	2,739,645	1,303,006
Miscellaneous	211,492	597,053
Total Revenues	<u>41,178,220</u>	<u>38,121,385</u>
<b>EXPENSES</b>		
Governmental activities:		
Legislative	141,404	131,595
General administration	1,341,306	1,549,858
Finance and accounting	1,148,425	1,265,943
Community development	1,322,292	2,006,319
Public works	8,527,596	7,937,563
Police services	8,586,081	8,112,693
Judicial	256,874	238,793
Parks and recreation activities	3,812,626	3,858,671
Human services	270,752	257,888
Interest on long-term debt	1,607,220	1,534,931
Total Expenses	<u>27,014,576</u>	<u>26,894,254</u>
<b>EXCESS REVENUE OVER EXPENSES</b>	14,163,644	11,227,131
<b>SPECIAL ITEMS</b>	<u>-</u>	<u>(41,818,397)</u>
<b>CHANGE IN NET ASSETS</b>	14,163,644	(30,591,266)
<b>NET ASSETS, JANUARY 1</b>	<u>107,285,820</u>	<u>137,877,086</u>
<b>NET ASSETS, DECEMBER 31</b>	<u>\$121,449,464</u>	<u>107,285,820</u>

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2006

### Financial Analysis of Governmental Activities

The increase in net assets of \$14,163,644 is attributed to the ongoing situation of revenues exceeding expenses. Since 1997, when a casino complex was opened, the City has been able to use a large portion of revenues to finance new capital asset projects, increase municipal services, and accumulate net assets. In 2006, the City's governmental funds received revenues and other financing sources of over \$6.5 million in excess of the amounts spent. Further, the City invested over \$9.8 million in new capital assets and extending the life of infrastructure assets while depreciation and asset retirements totaled \$3.5 million, a net increase of \$6.3 million in net assets. The City reduced long-term liabilities by \$1.4 million.

Expenses for 2006 were less than 1% higher than 2005 while revenues increased by 8%.

The major sources of revenue increases in 2006 occurred in investment income (up 110%, \$1.4 million) and grants (up 47%, \$1.2 million). These two increases account for a combined increase of \$2.6 million of the total increase in revenues of \$3.05 million.

The expenses for general administration decreased by 13.5% in 2006 from the previous year due to costs incurred in 2005 for a 20<sup>th</sup> anniversary celebration of the City's incorporation, a one-time event. The finance and accounting expenses were lower by 9.2% due to decreased personnel costs. Lower expenses in 2006 in the community development department relate to costs incurred in the South Heights Redevelopment Area that are financed by incremental tax revenues in the district and the issuance of notes.

### 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, *unreserved 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 2006, the City's governmental funds reported combined ending fund balances of \$65,316,576, an increase of \$6,503,968 from 2005. Over 88% of the total amount (\$57,747,321) constitutes *unreserved fund balance*, which is available for spending at the City's discretion. However, \$17,789,140 (31% of the total unreserved governmental fund's fund balance) has been designated for the construction for a new government center. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed as follows:

1. To liquidate contracts and purchase orders of the prior period (\$4,449,435)
2. To pay debt service (\$2,723,232)
3. For prepaid expenses (\$396,588)



# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2006

During 2006, the unreserved fund balance of the City's General Fund increased by \$3,387,033 or 17.3% from the prior year. The change of the unreserved fund balance is primarily due to revenues and transfers exceeding expenditures by \$3,340,798 plus a net decrease in the amount advanced to other governmental funds of \$105,612. Advances from the General Fund to other governmental funds are to finance operations and capital projects that will be paid from a future flow of revenues. Advances take the place of external borrowing. Other factors affecting the change in the General Fund's fund balance were transfers between other funds that increased the General Fund by \$140,589 and an increase in prepaid expenses from the prior year (that decreases available unreserved fund balance) of \$43,332.

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 138% of the total General Fund's expenditures and transfers out. The total General Fund's balance represents 189% of expenditures and transfers out.

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

- The Special Park Fund decreased 19% (\$941,477) to a deficit of \$5,876,607 due to the ongoing debt service obligations from the issuance of leasehold revenue bonds in 1997, which require annual payments of \$1.5 million. User fees from the facilities and a special sales tax have not provided sufficient revenues to meet expenditures and also provide for the debt service requirements. As a result, the General Fund has advanced over \$5.9 million to offset the Special Park Fund's deficits. Beginning in 2008--when debt service obligations cease--the Special Park Fund is expected to begin repayments.
- The Regional Infrastructure Fund increased \$3,225,530 to \$7,067,422 (from \$3,841,892) due to revenues exceeding expenditures and transfers out. The fund exists to utilize part of the City's gaming tax revenue (25% of the taxes in 2006 or \$4,011,709) for major infrastructure projects that benefit the entire region.
- The Capital Improvements Fund decreased 43.4% in 2006 due to expenditures and transfers out exceeding revenues. Primarily the transfers out during 2006 represented amounts to partially fund construction of the new government center (\$2,500,000). Revenues in the fund consist primarily of a portion (43%) of the gaming tax revenue. The unreserved fund balance at December 31, 2006 was \$1,668,493 due to a decrease in encumbered funds at year-end.
- The Government Center Fund established in 2003 to account for the expenditures of constructing a new building increased by \$1,885,683 (12%) in 2006 due primarily to the transfer from the Capital Improvements Fund exceeding expenditures related to construction of a new City hall/police station. The fund is expected to expend its balance during 2007 and 2008 as the project progresses to completion.

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

- Bond deposits held to ensure a defendant's appearance in municipal court,

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2006

- Collection and release of the monies for future roadway 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 2006, the cash (and cash equivalents) had increased \$32,082 (to \$496,239) from 2005 due to normal activity.

During 2004, the City established, through a contribution of \$2 million from the General Fund, an "Other Post-Employment Benefit" (OPEB) Trust Fund to account for retiree health benefits. During 2006, investment income of \$144,377 was recognized. No benefits were paid during 2006. The fund had \$2,236,774 in assets at December 31, 2006.

### **General Fund Budgetary Highlights**

The final 2006 budget for the City's General Fund represents an original budget of \$18,274,634 increased by \$68,900 to \$18,343,534, an adjustment of less than 1%. The changes during the year were as follows:

- A decrease of \$24,100 in the general administration to reflect the transfer of an administrative function and related personnel costs to the community development department.
- An increase of \$44,750 in the community development department due to the transfer from general administration discussed above, an increase needed for higher than expected costs of new vehicles (\$4,750), and the increase in planning and zoning of \$15,000 due to a higher than expected demand for traffic studies by proposed developments. These costs are reimbursed by applicants and a like increase in the revenue budget was also made
- An increase of \$33,250 for police services to increase the warrant services clerk position to full-time (\$17,000) and to purchase defibrillators (\$16,250) that had not been provided for in the original budget.
- An increase of \$15,000 in the human services function to provide for higher than estimated activity of utility tax rebates to eligible senior citizens.

The City revises revenue estimates as information becomes available. General Fund revenue estimates were increased by \$82,950 from the original budget for court fines (\$65,000), intergovernmental revenue (\$2,950), and for traffic study reimbursements (\$15,000) referred to above. All increases in revenue were related to expenditure increases.

The General Fund ended the year with revenues exceeding expenditures by \$2,914,833. Other financing sources and uses netted an increase in budgetary fund balance of \$246,200. The other financing sources consisted of transfers in from other funds, repayment of advances made by the General Fund in previous years, transfers to other funds, and an advance to the Park Fund of \$747,500. The result was a total increase in budgetary fund balance of \$3,161,033 in 2006 to \$23,556,328 at year-end.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2006

The actual General Fund revenues and expenditures for the year varied from the 2006 amended budget as follows:

- Investment income exceeded the budget by \$854,913 as the amount of available investable funds was higher than expected and short-term interest rates rose significantly.
- Expenditures for general administration were 8.6% lower than expected due to lower than expected activity in the public relations and legal services programs.
- Expenditures for finance and accounting were 15.3% lower than budgeted due to personnel turnover and lower than anticipated costs for information technology software costs.
- Expenditures for street maintenance were 9.2% lower than planned due to a smaller than expected demand for snow removal and equipment purchases.
- The City allocated \$820,000 for contingency in the 2006 General Fund budget. These funds were available to transfer to budgetary accounts in the case of major revenue shortfalls and expenditure needs. No funds were needed, resulting in a large variance in the budget.

### Capital Asset and Debt Administration

#### Capital Assets

The City has invested \$85,916,251, net of accumulated depreciation, in a broad range of capital assets, including vehicles, equipment, buildings, park facilities, roads, bridges, and sidewalks. This represents a net increase for the current fiscal year (including additions and deductions) of \$6,357,159 or 8%, more than last year. The major portion of the increase was related to infrastructure additions. The City's capital assets, net of depreciation, are as follows:

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
Land and improvements	\$15,493,749	16,230,499
Buildings	7,091,183	5,992,003
Machinery and equipment	668,679	686,379
Automobiles and trucks	860,376	905,889
Infrastructure	54,966,455	49,183,650
Construction in progress	<u>6,835,309</u>	<u>6,560,572</u>
Total	<u>\$85,916,251</u>	<u>79,559,092</u>

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current 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 30 and 31 of this report.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2006

### Long-term Debt

At the end of 2006, the City had total long-term debt obligations for governmental activities in the amount of \$29,868,219 compared to \$31,310,041 at the end of 2005. None of the debt outstanding represents general obligation bonds.

	<u>For The Years</u> <u>Ended December 31</u>		<u>Percentage</u> <u>Change</u>
	<u>2006</u>	<u>2005</u>	
Governmental activities:			
Leasehold revenue bonds	\$12,965,000	15,020,000	(13.7%)
South Heights TIF District notes	<u>16,903,219</u>	<u>16,290,041</u>	3.8
Total	<u>\$29,868,219</u>	<u>31,310,041</u>	(4.6%)

The City, through the Public Facilities Authority (PFA), a blended component unit, issues leasehold revenue bonds to facilitate the financing of construction and acquisition of certain capital improvements and facilities for the sole benefit of the City. During 2006, the City retired \$1,380,000 of the 1997 leasehold revenue bonds issued to finance park improvements leaving a balance of \$2,960,000 at the end of the year. The PFA in 2003 issued \$12 million in leasehold revenue bonds to finance the construction of a new government center of which \$675,000 was retired in 2006 resulting in \$10,005,000 outstanding at the end of the year.

The South Heights TIF notes represent a special limited obligation of the City that have been issued to the developer. The City will make principal and interest payments on TIF notes to the developer based on incremental revenues in lieu of taxes attributable to the project site. During 2006, a total of \$613,178 in TIF notes were issued. No principal was retired.

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 2006 was about \$96 million. The City has issued no debt covered by this limitation.

The leasehold revenue bonds are covered by insurance policies insuring the payment of principal and interest when due. Consequently the bonds have been assigned a rating of "Aaa" by Moody's Investor Service, Inc.

Additional information regarding the City's long-term debt can be found in Note F on pages 32 through 34 of this report.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Management's Discussion and Analysis

For The Year Ended December 31, 2006

### **Economic Factors and Next Year's Budgets**

- The City's original 2007 annual budget projects total expenditures of \$53,787,469 including capital improvements of \$26,740,000 primarily for infrastructure improvements. An additional \$14 million has been appropriated for the completion of a new government center.
- The City's capital improvement plan for 2007 to 2011 projects investment in infrastructure improvements and new facilities of about \$90 million.
- The City relies heavily on gaming taxes generated by the Harrah's casino complex to fund services at the current level and provide funds for capital improvements. Harrah's has consistently held a major portion of the market share in the region of casino gambling revenues. However, the state has approved two new casinos in the St. Louis area, which will cause more competition in the marketplace. Further, the Missouri legislature continually considers measures that would decrease a home dock City's share of taxes generated by the casino.
- The City is part of the regional St. Louis economy that faces the challenges of many urban areas in the United States. However, the City's economic base is rather diverse and the housing choices are varied, yet stable.

### **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, 212 Millwell Drive, Maryland Heights, MO 63043.

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2006**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 48,617,525
Receivables	6,515,892
Deferred charges	253,058
Prepays	397,951
Restricted assets:	
Cash	14,159,069
Capital assets not being depreciated:	
Land	9,059,493
Infrastructure	18,784,622
Construction in progress	6,835,309
Capital assets, net of accumulated depreciation:	
Buildings	7,091,183
Other improvements	6,434,256
Machinery and equipment	668,679
Automobiles and trucks	860,876
Infrastructure	36,181,833
Total Assets	155,859,746
<b>LIABILITIES</b>	
Accounts payable	2,299,306
Accrued interest	728,849
Accrued payroll	252,929
Unearned revenue	572,325
Noncurrent liabilities:	
Due within one year	2,203,865
Due in more than one year	28,353,008
Total Liabilities	34,410,282
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	82,956,251
Restricted for:	
Debt service	2,798,126
Storm water projects	4,596,350
Other purposes	286,524
Unrestricted	30,812,213
Total Net Assets	\$ 121,449,464

See notes to financial statements

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Change In Net Assets Governmental Activities
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	
<b>Governmental Activities</b>					
Legislative	\$ 141,404	-	-	-	(141,404)
General administration	1,341,306	-	-	-	(1,341,306)
Finance and accounting	1,148,425	-	-	-	(1,148,425)
Community development	1,322,292	615,292	22,500	-	(684,500)
Public works	8,527,596	220,067	2,152,817	1,327,493	(4,827,219)
Police services	8,586,081	2,016,945	38,681	-	(6,530,455)
Judicial	256,874	218,077	-	-	(38,797)
Parks and recreational activities	3,812,626	1,126,325	77,168	-	(2,609,133)
Human services	270,752	36,282	-	-	(234,470)
Interest on long-term debt	1,607,220	-	-	-	(1,607,220)
Total Governmental Activities	<u>\$ 27,014,576</u>	<u>4,232,988</u>	<u>2,291,166</u>	<u>1,327,493</u>	<u>(19,162,929)</u>
<b>General Revenues</b>					
Gaming tax					16,070,698
Sales tax					7,616,477
Utility tax					4,208,938
Property tax from tax increment financing					1,498,625
Hotel/motel tax					134,637
Cigarette tax					90,784
Business license tax					517,842
Cable franchise tax					237,435
Investment earnings					2,739,645
Miscellaneous					211,492
Total General Revenues					<u>33,326,573</u>
<b>CHANGE IN NET ASSETS</b>					14,163,644
<b>NET ASSETS, JANUARY 1</b>					<u>107,285,820</u>
<b>NET ASSETS, DECEMBER 31</b>					<u>\$ 121,449,464</u>

See notes to financial statements

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**

	<b>Major Funds</b>				<b>Government Center</b>	<b>Nonmajor Governmental Funds</b>	<b>Eliminations</b>	<b>Total Government Funds</b>
	<b>General</b>	<b>Special Park</b>	<b>Regional Infrastructure</b>	<b>Capital Improvements</b>				
<b>ASSETS</b>								
Cash and investments	\$ 21,859,946	-	6,739,308	3,426,297	6,838,610	9,753,364	-	48,617,525
Cash and investments - restricted	-	-	-	-	11,435,837	2,723,232	-	14,159,069
Accounts receivable:								
Municipal taxes	2,106,471	307,222	437,318	728,863	-	976,988	-	4,556,862
Licenses, permits, fines, and fees	337,372	-	-	-	-	-	-	337,372
Intergovernmental	131,183	270,000	-	730,038	-	-	-	1,131,221
Accrued interest	413,396	-	-	-	49,102	27,939	-	490,437
Prepaid expenditures	396,588	-	-	-	-	1,363	-	397,951
Due from other funds	294,030	-	-	-	-	-	(294,030)	-
Advances to other funds	8,151,541	-	-	-	-	-	(8,151,541)	-
<b>Total Assets</b>	<b>\$ 33,690,527</b>	<b>577,222</b>	<b>7,176,626</b>	<b>4,885,198</b>	<b>18,323,549</b>	<b>13,482,886</b>	<b>(8,445,571)</b>	<b>69,690,437</b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ 358,550	101,214	109,204	1,171,029	319,689	239,620	-	2,299,306
Accrued payroll	221,564	24,402	-	-	-	6,963	-	252,929
Deferred revenue	1,486,274	125,513	-	-	-	209,839	-	1,821,626
Due to other funds	-	252,700	-	-	-	41,330	(294,030)	-
Advance from General Fund	-	5,950,000	-	-	-	2,201,541	(8,151,541)	-
<b>Total Liabilities</b>	<b>2,066,388</b>	<b>6,453,829</b>	<b>109,204</b>	<b>1,171,029</b>	<b>319,689</b>	<b>2,699,293</b>	<b>(8,445,571)</b>	<b>4,373,861</b>
<b>Fund Balances (Deficit)</b>								
<b>Reserved:</b>								
Debt service	-	-	-	-	-	2,723,232	-	2,723,232
Encumbrances	69,779	73,145	478,382	2,045,676	214,720	1,567,733	-	4,449,435
Prepaid expenditures	396,588	-	-	-	-	-	-	396,588
Advances	8,151,541	-	-	-	-	-	(8,151,541)	-
<b>Unreserved:</b>								
General Fund	23,006,231	-	-	-	-	-	8,151,541	31,157,772
Special Revenue Funds	-	(5,949,752)	6,589,040	-	-	6,417,734	-	7,057,022
Capital Projects Funds	-	-	-	1,668,493	17,789,140	-	-	19,457,633
Debt Service Funds	-	-	-	-	-	74,894	-	74,894
<b>Total Fund Balances (Deficit)</b>	<b>31,624,139</b>	<b>(5,876,607)</b>	<b>7,067,422</b>	<b>3,714,169</b>	<b>18,003,860</b>	<b>10,783,593</b>	<b>-</b>	<b>65,316,576</b>
<b>Total Liabilities And Fund Balances (Deficit)</b>	<b>\$ 33,690,527</b>	<b>577,222</b>	<b>7,176,626</b>	<b>4,885,198</b>	<b>18,323,549</b>	<b>13,482,886</b>	<b>(8,445,571)</b>	<b>69,690,437</b>

See notes to financial statements



**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**DECEMBER 31, 2006**

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Total Fund Balances - Total Governmental Funds	\$ 65,316,576
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$121,033,535 and the accumulated depreciation is \$35,117,284.	85,916,251
Bond issuance costs are reported in the funds when debt is issued, whereas these amounts are deferred and amortized over the life of the debt on the government-wide statements.	253,058
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 funds.	1,249,301
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Bonds payable	(12,965,000)
Notes payable	(16,903,219)
Interest on long-term debt is recognized as an expenditure when due in the funds.	(728,849)
Compensated absences are not reported in the funds.	<u>(688,654)</u>
Total Net Assets Of Governmental Activities	<u><u>\$ 121,449,464</u></u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Major Funds</b>					<b>Nonmajor Governmental Funds</b>	<b>Total Government Funds</b>
	<b>General</b>	<b>Special Park</b>	<b>Regional Infrastructure</b>	<b>Capital Improvements</b>	<b>Government Center</b>		
<b>REVENUES</b>							
Municipal taxes	\$ 13,634,279	2,464,735	4,011,709	6,955,349	-	5,058,565	32,124,637
Licenses, permits, fines, and fees	3,275,992	-	-	-	-	-	3,275,992
Parks and recreation	-	1,126,325	-	-	-	-	1,126,325
Intergovernmental	388,751	270,000	-	1,327,493	-	12,292	1,998,536
Investment income	2,124,244	-	-	-	478,903	136,498	2,739,645
Miscellaneous	161,050	65,161	-	-	142,433	111,237	479,881
Total Revenues	<u>19,584,316</u>	<u>3,926,221</u>	<u>4,011,709</u>	<u>8,282,842</u>	<u>621,336</u>	<u>5,318,592</u>	<u>41,745,016</u>
<b>EXPENDITURES</b>							
Current:							
Legislative	141,404	-	-	-	-	-	141,404
General administration	1,446,536	-	-	-	-	-	1,446,536
Finance and accounting	1,089,494	-	-	-	-	-	1,089,494
Community development	1,168,560	-	-	-	-	758,477	1,927,037
Public works	3,313,924	-	-	-	-	979,586	4,293,510
Police services	8,155,951	-	-	-	-	242,386	8,398,337
Judicial	252,685	-	-	-	-	-	252,685
Parks and recreation	189,139	3,281,252	-	-	-	-	3,470,391
Human services	256,248	-	-	-	-	13,847	270,095
Capital outlay	370,166	411,031	694,179	8,354,193	1,235,653	499,691	11,564,913
Debt service:							
Principal	-	1,380,000	-	-	-	675,000	2,055,000
Interest	-	173,980	-	-	-	1,423,956	1,597,936
Total Expenditures	<u>16,384,107</u>	<u>5,246,263</u>	<u>694,179</u>	<u>8,354,193</u>	<u>1,235,653</u>	<u>4,592,943</u>	<u>36,507,338</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,200,209</u>	<u>(1,320,042)</u>	<u>3,317,530</u>	<u>(71,351)</u>	<u>(614,317)</u>	<u>725,649</u>	<u>5,237,678</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	480,000	378,565	-	-	2,500,000	-	3,358,565
Transfers out	(339,411)	-	(92,000)	(2,776,000)	-	(151,154)	(3,358,565)
Proceeds of sale of property	-	-	-	-	-	653,112	653,112
Increment financing notes issued	-	-	-	-	-	613,178	613,178
Total Other Financing Sources (Uses)	<u>140,589</u>	<u>378,565</u>	<u>(92,000)</u>	<u>(2,776,000)</u>	<u>2,500,000</u>	<u>1,115,136</u>	<u>1,266,290</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>3,340,798</u>	<u>(941,477)</u>	<u>3,225,530</u>	<u>(2,847,351)</u>	<u>1,885,683</u>	<u>1,840,785</u>	<u>6,503,968</u>
FUND BALANCES (DEFICIT), JANUARY 1	<u>28,283,341</u>	<u>(4,935,130)</u>	<u>3,841,892</u>	<u>6,561,520</u>	<u>16,118,177</u>	<u>8,942,808</u>	<u>58,812,608</u>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<u>\$ 31,624,139</u>	<u>(5,876,607)</u>	<u>7,067,422</u>	<u>3,714,169</u>	<u>18,003,860</u>	<u>10,783,593</u>	<u>65,316,576</u>

See notes to financial statements

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

Net Change In Fund Balances - Governmental Funds	\$ 6,503,968
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold totaling \$9,878,429 exceeded depreciation (\$2,820,186) in the current period.	7,058,243
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations) is to increase (decrease) net assets.	(701,084)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Decrease in deferred revenue	(53,208)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs 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:	
Debt issued:	
Tax increment revenue notes	(613,178)
Repayments:	
Bonds payable	2,055,000
Amortization of deferred charges	(21,847)
Net Adjustment	1,419,975
Compensated absences reported on the statement of activities differs from the amount reported in the governmental funds because the short-term liability is recorded as an expenditure in the funds at year-end, whereas the long-term portion does not require the use of current financial resources:	
Increase in accrued compensated absences	(54,966)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
Increase in accrued interest	(9,284)
Change In Net Assets Of Governmental Activities	\$ 14,163,644

See notes to financial statements

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
**DECEMBER 31, 2006**

	<u>Agency Fund</u>	<u>Other Post- employment Benefit Trust Fund</u>
<b>ASSETS</b>		
Cash and investments	<u>\$ 496,239</u>	<u>2,236,774</u>
<b>LIABILITIES</b>		
Accounts payable	300	-
Deposits held for others	<u>495,939</u>	<u>-</u>
Total Liabilities	<u>496,239</u>	<u>-</u>
<b>NET ASSETS HELD IN TRUST FOR RETIREE HEALTH BENEFITS</b>	<u><u>\$ -</u></u>	<u><u>2,236,774</u></u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<u>Other Post- employment Benefit Trust Fund</u>
<b>ADDITIONS</b>	
Investment income	\$ 144,377
<b>NET ASSETS HELD IN TRUST FOR RETIREE HEALTH BENEFITS, JANUARY 1</b>	<u>2,092,397</u>
<b>NET ASSETS HELD IN TRUST FOR RETIREE HEALTH BENEFITS, DECEMBER 31</b>	<u><u>\$ 2,236,774</u></u>

# CITY OF MARYLAND HEIGHTS, MISSOURI

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies and financial reporting practices of the City conform to U.S. generally accepted accounting principles 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 its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14. 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 unit's 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 two blended component units: the City of Maryland Heights Public Facilities Authority (PFA) and the Industrial Development Authority of the City of Maryland Heights (IDA).

##### *Blended Component Units*

The following component units are legally separate from the City; however, their activities are so intertwined with the City as the primary government that they are, in substance, the same as the primary government. As such, the balances and transactions of these component units are blended into the financial statements and are reported in a manner similar to the balances and transaction of the City itself.

The PFA is a not-for-profit corporation created by Ordinance of the City Council, organized and existing under the laws of the State of Missouri. Board members are appointed by the Mayor. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City. The PFA is accounted for as a part of the City's primary operations within the Debt Service Fund because it was established to provide benefits exclusively for the public needs of the City.

The IDA is a not-for-profit corporation established by resolution of the City Council and formed under RSMo Chapter 349, *The Industrial Development Corporations Act*. It is designed to develop, advance, encourage, and promote commercial, industrial, agricultural, and manufacturing facilities in and about the City. The City appoints all members to the IDA's Board of Directors and provides both financial and administrative support. The IDA 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 OF MARYLAND HEIGHTS, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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

**1. Reporting Entity (Continued)**

City's primary operations within the Industrial Development Special Revenue Fund because the governing body of the IDA is substantively the same as the governing body of the City and the IDA provides services entirely to the City.

**2. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are trust fund financial statements. The Agency Fund's financial statements are reported using the accrual basis of accounting with no economic resources measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund 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 con-

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

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

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

siders revenues to be available if they are collected within thirty 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. 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** -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

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

**Regional Infrastructure Fund** -- This fund was established to account for the revenues and expenditures for regional infrastructure projects.

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

**Government Center Fund** -- This fund is a Capital Projects Fund used to account for the construction of a new government center.

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.

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



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

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

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

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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**4. Investments**

The City Treasurer 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, corporate bonds, 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 market value. Fair values for all other investments is based on quoted market prices.

**5. Restricted Assets**

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

**6. Capital Assets**

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

**6. Capital Assets (Continued)**

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 backtrending. A percentage of the historical cost was allocated to account for the nondepreciable components of the road system (land, clearing, deforestation, blasting, etc.).

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

Depreciation is being computed on the straight-line method, using asset lives as follows:

Asset	Years
Buildings	20 - 40
Other improvements	20 - 40
Machinery and equipment	6 - 10
Automobiles and trucks	5 - 10
Infrastructure	10 - 50

**7. Compensated Absences**

Vacations accrue to employees based on weeks of continuous service. Upon leaving the employ of the City, an employee is entitled to payment for accrued vacation. A liability for unused vacation compensation has been recorded as long-term debt as it is expected to be paid from future resources. Sick leave is based upon continuous weeks of service and is only available to provide compensation during periods of illness.

**8. Long-Term Obligations**

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

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

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

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

**9. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**10. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve 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 reservations of fund balances since they do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

**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.

**12. Use of Estimates**

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

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

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

As of December 31, 2006, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

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

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

**2. Investments**

As of December 31, 2006, the City had the following investments:

<u>Investments</u>	<u>Fair Market Value</u>	<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>Credit Risk</u>
<b>Primary Government</b>						
Federal Agency notes:						
Federal Home Loan Bank	\$14,916,355	-	11,883,319	1,973,065	1,059,971	AAA
Federal Farm Credit Bank	1,981,797	-	1,981,797	-	-	AAA
Federal Home Loan Mortgage Corporation	2,976,718	-	2,976,718	-	-	AAA
Federal National Mort- gage Association	<u>5,396,822</u>	<u>-</u>	<u>3,976,016</u>	<u>1,420,806</u>	<u>-</u>	AAA
Total Federal Agency Notes	25,271,692	-	20,817,850	3,393,871	1,059,971	
U.S. Treasury Repurchase agreement	22,817,610	-	10,952,297	11,865,313	-	N/A
Money market	7,595,000	7,595,000	-	-	-	N/A
	<u>7,740,531</u>	<u>7,740,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	Not rated
Total Primary Government	63,424,833	15,335,531	31,770,147	15,259,184	1,059,971	
<b>Fiduciary Funds</b>						
Pooled employee Post- employment Benefit Fund	<u>2,236,774</u>	<u>2,236,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	N/A
Grand Total Investments	<u>\$65,661,607</u>	<u>17,572,305</u>	<u>31,770,147</u>	<u>15,259,184</u>	<u>1,059,971</u>	

**Investments Policies**

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy requires all investments which exceed the financial institution's insurance limits to be collateralized.

**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 two years unless approved by the City Council.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's investment policy limits investments to 1) bonds, bills, or notes of the United States or an agency of the United States, 2) negotiable certificates of deposit, savings accounts, and other interest earning deposit accounts, or 3) repurchase agreements against eligible collateral.

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

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	<b>For The Year Ended December 31, 2006</b>			
	<b>Balance</b>		<b>Deletions</b>	<b>Balance</b>
	<b>December 31</b>		<b>And</b>	<b>December 31</b>
	<b>2005</b>	<b>Additions</b>	<b>Transfers</b>	<b>2006</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 9,363,273	349,732	653,512	9,059,493
Right-of-way	11,386,849	455,766	-	11,842,615
Nondepreciable components of streets	5,969,606	972,401	-	6,942,007
Construction in progress	<u>6,560,672</u>	<u>2,894,004</u>	<u>2,619,367</u>	<u>6,835,309</u>
Total Capital Assets Not Being Depreciated	<u>33,280,400</u>	<u>4,671,903</u>	<u>3,272,879</u>	<u>34,679,424</u>
Capital assets being depreciated:				
Buildings	7,529,715	1,297,428	-	8,827,143
Other improvements	10,407,708	86,754	-	10,494,462
Machinery and equipment	1,867,187	144,631	23,905	1,987,913
Automobiles and trucks	2,992,384	330,671	269,963	3,053,092
Infrastructure	<u>56,025,092</u>	<u>5,966,409</u>	<u>-</u>	<u>61,991,501</u>
Total Capital Assets Being Depreciated	<u>78,822,086</u>	<u>7,825,893</u>	<u>293,868</u>	<u>86,354,111</u>
Less - Accumulated depreciation for:				
Buildings	1,537,712	198,248	-	1,735,960
Other improvements	3,540,482	519,724	-	4,060,206
Machinery and equipment	1,180,808	152,039	13,613	1,319,234
Automobile and trucks	2,086,495	338,404	232,683	2,192,216
Infrastructure	<u>24,197,897</u>	<u>1,611,771</u>	<u>-</u>	<u>25,809,668</u>
Total Accumulated Depreciation	<u>32,543,394</u>	<u>2,820,186</u>	<u>246,296</u>	<u>35,117,284</u>
Total Capital Assets Being Depreciated, Net	<u>46,278,692</u>	<u>5,005,707</u>	<u>47,572</u>	<u>51,236,827</u>
Governmental Activities Capital Assets, Net	<u>\$79,559,092</u>	<u>9,677,610</u>	<u>3,320,451</u>	<u>85,916,251</u>

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

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

**NOTE C - CAPITAL ASSETS (Continued)**

	<u>For The Year Ended</u> <u>December 31, 2006</u>
Governmental activities:	
General administration	\$ 25,198
Finance and accounting	39,268
Community development	18,252
Public works	1,849,990
Police services	154,803
Parks and recreation	<u>732,675</u>
	<u>\$2,820,186</u>

**NOTE D - INTERFUND BALANCES**

During the normal course of business, the City has numerous transactions between funds. The following is a reconciliation of internal receivables and payables:

	<u>December 31, 2006</u>	
	<u>Receivable</u>	<u>Payable</u>
	<u>Fund</u>	<u>Fund</u>
General	\$294,030	-
Special Park	-	252,700
Special Revenue - nonmajor	<u>-</u>	<u>41,330</u>
	<u>\$294,030</u>	<u>294,030</u>

The City finances deficits in individual fund balances by advances from the General Fund. These advances are shown as a receivable and reservation of fund balance in the General Fund. In the fund receiving the advance, the advance is reported in the liability section of the balance sheet. The advance to and advance from other funds consist of the following:

	<u>December 31, 2006</u>	
	<u>Receivable</u>	<u>Payable</u>
	<u>Fund</u>	<u>Fund</u>
General	\$8,151,541	-
Special Revenue - Special Park Fund	-	5,950,000
Special Revenue - Nonmajor fund	<u>-</u>	<u>2,201,541</u>
	<u>\$8,151,541</u>	<u>8,151,541</u>

The Special Park Fund is expected to begin repaying advances in 2008 when debt service commitments on the leasehold revenue bonds are fully met.

The TIF District Fund advances represent funds advanced to conduct redevelopment activities within the TIF district. The advances will be repaid in future years.

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

**NOTE E - INTERFUND TRANSACTIONS**

Individual interfund transactions are as follows:

	<u>Transfers In</u>			<u>Total</u>
	<u>General</u>	<u>Special Park</u>	<u>Government Center</u>	
Transfers out:				
General	\$ -	339,411	-	339,411
Capital Improvements	276,000	-	2,500,000	2,776,000
Regional Infrastructure	92,000	-	-	92,000
Nonmajor governmental	<u>112,000</u>	<u>39,154</u>	<u>-</u>	<u>151,154</u>
Total	<u>\$480,000</u>	<u>378,565</u>	<u>2,500,000</u>	<u>3,358,565</u>

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

**NOTE F - LONG-TERM DEBT**

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

	<u>For The Year Ended December 31, 2006</u>				<u>Amounts Due Within One Year</u>
	<u>Balance December 31 2005</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31 2006</u>	
	PFA Leasehold Revenue Bonds, Series 1997	\$ 4,340,000	-	1,380,000	
PFA Leasehold Revenue Bonds, Series 2003	10,680,000	-	675,000	10,005,000	685,000
TIF notes payable, Series 2001B	14,333,606	576,536	-	14,910,142	-
TIF notes payable, Series 2001A	1,956,435	36,642	-	1,993,077	-
Compensated absences payable	<u>633,688</u>	<u>69,849</u>	<u>14,883</u>	<u>688,654</u>	<u>68,865</u>
Total Long-Term Liabilities	<u>\$31,943,729</u>	<u>683,027</u>	<u>2,069,883</u>	<u>30,556,873</u>	<u>2,203,865</u>

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

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

The PFA Leasehold Revenue Bonds and TIF notes payable are to be liquidated by the Leasehold Revenue Bond Fund and the South Heights TIF District Fund, respectively. Also, compensated absences are generally liquidated by the General Fund.

**Public Facilities Authority (PFA) Leasehold Revenue Bonds Payable**

On July 1, 1997, the PFA was formed as a Missouri not-for-profit corporation. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City. Assets constructed with the proceeds of these bonds have been included in the capital assets of the City.

Funding of such capital improvements and facilities has been provided through the PFA's issuance of leasehold revenue bonds. The leasehold revenue bonds do not constitute a legal debt or liability for the City, the State of Missouri, or for any political subdivision thereof and do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the leasehold revenue bonds does not obligate the City to levy any form of taxation or to make any appropriation for its payment in any fiscal year. The PFA has no taxing power. The leasehold revenue bonds issued by the PFA are recorded as long-term debt to the extent the bond indentures require debt service payments from the governmental fund types to retire the debt.

There are two PFA Leasehold Revenue Bonds as follows:

- Series 1997, originally \$13,420,000, 3.8% to 4.8%, payable in variable amounts through 2008 to be repaid from proceeds of the one-half cent sales tax related to parks and user fees
- Series 2003, originally \$12,000,000, 1.1% to 4.6%, payable in variable amounts through 2018 to be repaid with a portion of the City's gaming tax revenue

Aggregate maturities required on PFA Leasehold Revenue Bonds debt are as follows:

<b>For The Years Ended <u>December 31</u></b>	<b><u>PFA Leasehold Revenue Bonds, Series 1997</u></b>		
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2007	\$1,450,000	106,678	1,556,678
2008	<u>1,510,000</u>	<u>36,360</u>	<u>1,546,360</u>
	<u>\$2,960,000</u>	<u>143,038</u>	<u>3,103,038</u>



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

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

<b>For The Years Ended December 31</b>	<b>PFA Leasehold Revenue Bonds, Series 2003</b>		
	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2007	\$ 685,000	392,770	1,077,770
2008	705,000	375,645	1,080,645
2009	725,000	355,553	1,080,553
2010	745,000	332,353	1,077,353
2011	775,000	306,278	1,081,278
2012 - 2016	4,355,000	1,040,115	5,395,115
2017 - 2018	<u>2,015,000</u>	<u>139,576</u>	<u>2,154,576</u>
	<u>\$10,005,000</u>	<u>2,942,290</u>	<u>12,947,290</u>

**Tax Increment Financing (TIF) Notes Payable**

In 2002 through 2006, the City issued Series 2001A tax-exempt TIF notes at 8.5%, 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 (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. The Series 2001B TIF notes were issued in fiscal year 2001 through 2006, at 10%, payable through September 2018.

**Authorized But Unissued**

At December 31, 2006, the City had \$15,120,000 of tax increment revenue notes authorized but unissued. These tax increment revenue notes will provide funds to finance certain redevelopment project costs relating to a tax increment redevelopment plan for the Page Avenue/I-270 redevelopment area.

**NOTE G - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM**

**1. Plan Description**

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

LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute, Section RSMo 70.600 - 70.755. As such, it is LAGERS' responsibility to

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

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

**1. Plan Description (Continued)**

administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under Internal Revenue Code Section 401a and it is tax exempt.

LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

**2. Funding Status**

The City's full-time employees contribute 4% of their gross pay to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 9.3% (general) and 10.3% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

**3. Annual Pension Cost**

For 2006, the City's annual pension cost of \$1,437,593 was equal to the required and actual contributions. The required contribution was determined as part of the February 28/29, 2004 and/or 2005 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2006 included a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; b) projected salary increases of 4% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit; d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women; and e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at February 28, 2006 was 27 years.

**Trend Information**

<b>For The Fiscal Year Ended June 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage Of APC Contributed</b>	<b>Net Pension Obligation</b>
2006	\$1,437,593	100%	\$ -
2005	1,273,228	100	-
2004	553,852	100	-

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

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

**3. Annual Pension Cost (Continued)**

**Schedule of Funding Progress**

<b>For The Actuarial Valuation Years Ended <u>February 28/29</u></b>	<b>Actuarial Value Of Assets</b>	<b>Entry Age Actuarial Accrued Liability</b>	<b>Unfunded Liability (UAL)</b>
2006	\$3,264,658	\$6,954,526	\$3,689,868
2005	1,662,142	3,467,024	1,804,882
2004	220,225	451,516	231,291

<b>For The Actuarial Valuation Years Ended <u>February 28/29</u></b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAL As A Percentage Of Covered Payroll</b>
2006	47%	\$10,165,364	36%
2005	48	9,784,920	18
2004	49	8,578,958	3

The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, contact the LAGERS' office in Jefferson City.

**NOTE H - OTHER EMPLOYEE BENEFIT PLANS**

**1. Defined Contribution Plan**

Prior to 2004, the City provided a money purchase plan through the International City Management Association - Retirement Corporation (ICMA-RC). This money purchase, defined contribution plan was established pursuant to IRS Code Section 401(a). Full-time employees of the City who had completed six months of service participated in the plan. The City contributed 8.5% of covered wages for employees with less than ten years of service and 9.5% for employees with ten or more years of service. Employees became fully vested in employer contributions after two years of service for management employees and seven years for nonmanagement employees. Partial vesting for nonmanagement employees began after three years of service (20%) and increased (20%) each year until full vesting was realized.

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

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**NOTE H - OTHER EMPLOYEE BENEFIT PLANS (Continued)**

**1. Defined Contribution Plan (Continued)**

Beginning in 2004 (when the City began membership in LAGERS), regular contributions to the money purchase plan ceased. Pursuant to Ordinance 2004-2013, the City will contribute certain amounts to employees hired before 1992 based on year of hire. Semi-annual contributions ranging from \$500 for employees hired in 1991 to \$2,000 for employees hired in 1985 will be made from 2004 to 2013. Further, any employee who leaves City service prior to 2009 and has attained retirement age will receive a contribution equal to 1.1% of their salary times the number of months of service rendered after 2003. Also, the vesting requirement was changed so that all employees are fully vested after three years of service. During 2004, the City established a Special Revenue Fund to provide for the funding of these benefits through 2013 by transferring \$2.5 million from the General Fund to a nonmajor fund, Employee Supplemental Benefits. This fund contributed \$212,375 to meet plan provisions in 2006.

**2. Retiree Health Insurance Plan**

During 2004, the City established a retiree health insurance benefit. Pursuant to Ordinance 2004-2521, retirees with twenty years of service will be eligible to maintain the City's group coverage until age 65. The City will pay from 50% to 80% of the cost depending on the employee's age at retirement. In 2006, the City realized \$144,377 in investment income in the OPEB Trust Fund to provide for the future obligations. No expenditures were incurred in 2006. No actuarial valuations have been performed. At December 31, 2006, there are no retirees eligible for the benefit.

**3. Retirement Health Savings Plan**

During 2005, the City established a Retirement Health Savings Plan (RHS) administered by the International City Management Association - Retirement Corporation (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.

**NOTE I - DEFERRED COMPENSATION PLAN**

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

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

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**NOTE J - 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 this trust 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.

The trust requires an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust. However, the City is contingently liable to fund its pro rata share if any deficit incurred by the trust should the trust 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 K - DEFICIT BALANCES**

At December 31, 2006, the Special Revenue - Special Park Fund's accumulated deficit of \$5,876,607 is the result of expenditures which exceeded revenues in 2006 plus prior years. The accumulated deficit will be offset by future revenues received by the fund.

At December 31, 2006, the Special Revenue - South Heights TIF District Fund's accumulated fund deficit of \$293,098 is the result of community development expenditures made during 1998 and 1999 within the South Heights TIF District, which exceeded municipal tax revenues during 1998 and 1999. The accumulated deficit will be offset by future cash inflows generated by the TIF district.

**NOTE L - RESTRICTED NET ASSETS**

The government-wide statement of net assets reports \$7,681,000 of restricted net assets, of which \$4,882,874 is restricted by enabling legislation.

**NOTE M - SUBSEQUENT EVENT**

In January 2007, the City entered into a construction contract for the completion of the Government Center. The total current contract amount is \$13,997,365.

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

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**REQUIRED SUPPLEMENTAL INFORMATION SECTION**

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
<b>Municipal Taxes</b>				
Gaming	\$ 4,110,000	4,110,000	4,023,640	(86,360)
Utilities gross receipts	3,880,000	3,880,000	3,908,370	28,370
Sales tax	3,460,000	3,460,000	3,460,344	344
Cigarette	93,000	93,000	91,148	(1,852)
Gasoline and motor vehicle tax	1,080,000	1,080,000	1,083,005	3,005
County road refund	975,000	975,000	1,067,772	92,772
Total Municipal Taxes	<u>13,598,000</u>	<u>13,598,000</u>	<u>13,634,279</u>	<u>36,279</u>
<b>Licenses, Permits, Fines, and Fees</b>				
Court fines and fees	1,735,000	1,800,000	1,896,477	96,477
Merchant licenses	500,000	500,000	517,662	17,662
Charges for services	430,000	430,000	624,418	194,418
Cable TV franchise	215,000	215,000	237,435	22,435
Total Licenses, Permits, Fines, And Fees	<u>2,880,000</u>	<u>2,945,000</u>	<u>3,275,992</u>	<u>330,992</u>
<b>Intergovernmental</b>	<u>310,000</u>	<u>312,950</u>	<u>388,751</u>	<u>75,801</u>
<b>Investment Income</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,854,913</u>	<u>854,913</u>
<b>Miscellaneous</b>	<u>167,000</u>	<u>182,000</u>	<u>171,821</u>	<u>(10,179)</u>
Total Revenues	<u>17,955,000</u>	<u>18,037,950</u>	<u>19,325,756</u>	<u>1,287,806</u>
<b>EXPENDITURES</b>				
<b>Legislative</b>				
Mayor's office	20,537	20,537	19,406	(1,131)
City council	126,345	126,345	121,998	(4,347)
Total Legislative	<u>146,882</u>	<u>146,882</u>	<u>141,404</u>	<u>(5,478)</u>
<b>General Administration</b>				
City clerk	229,764	229,764	223,149	(6,615)
Legal services	179,323	179,323	134,888	(44,435)
City administrator's office	343,881	343,881	341,568	(2,313)
Personnel	199,840	189,840	171,991	(17,849)
Public relations	262,085	262,085	209,538	(52,547)
Central services	184,831	169,531	155,728	(13,803)
Risk management	226,275	227,475	227,450	(25)
Total General Administration	<u>1,625,999</u>	<u>1,601,899</u>	<u>1,464,312</u>	<u>(137,587)</u>

(Continued)

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>EXPENDITURES (Continued)</b>				
<b>Finance and Accounting</b>				
Finance	450,015	450,015	387,693	(62,322)
Geographic information services	216,031	216,031	193,020	(23,011)
Information technology	673,162	673,162	553,479	(119,683)
Total Finance And Accounting	<u>1,339,208</u>	<u>1,339,208</u>	<u>1,134,192</u>	<u>(205,016)</u>
<b>Community Development</b>				
Community development administration	188,613	214,913	214,863	(50)
Inspections	710,257	713,707	661,927	(51,780)
Economic development	3,425	3,425	1,248	(2,177)
Planning and zoning	326,233	341,233	328,492	(12,741)
Total Community Development	<u>1,228,528</u>	<u>1,273,278</u>	<u>1,206,530</u>	<u>(66,748)</u>
<b>Public Works</b>				
Administration and engineering	396,253	396,253	370,002	(26,251)
Roads and bridges	1,673,025	1,673,025	1,518,602	(154,423)
Trash hauling	829,182	829,182	809,477	(19,705)
Vehicle and equipment maintenance	347,452	347,452	306,003	(41,449)
Capital projects management	575,799	575,799	465,187	(110,612)
Total Public Works	<u>3,821,711</u>	<u>3,821,711</u>	<u>3,469,271</u>	<u>(352,440)</u>
<b>Police Services</b>				
Police administration	319,353	319,353	306,526	(12,827)
Patrol	5,358,285	5,374,535	5,220,465	(154,070)
Investigations	1,233,155	1,233,155	1,208,366	(24,789)
Communications	681,145	681,145	651,506	(29,639)
Community services	778,068	795,068	756,570	(38,498)
Police records	153,827	153,827	146,672	(7,155)
Total Police Services	<u>8,523,833</u>	<u>8,557,083</u>	<u>8,290,105</u>	<u>(266,978)</u>
<b>Judicial</b>				
Municipal court	236,613	236,613	229,891	(6,722)
Probation services	34,278	34,278	22,794	(11,484)
Total Judicial	<u>270,891</u>	<u>270,891</u>	<u>252,685</u>	<u>(18,206)</u>
<b>Parks and Recreation</b>				
City hall maintenance	236,389	236,389	196,176	(40,213)

**(Continued)**



**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>EXPENDITURES (Continued)</b>				
<b>Human Services</b>	261,193	276,193	256,248	(19,945)
<b>Contingency</b>	820,000	820,000	-	(820,000)
Total Expenditures	18,274,634	18,343,534	16,410,923	(1,932,611)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(319,634)	(305,584)	2,914,833	3,220,417
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	570,000	570,000	480,000	(90,000)
Advance repayment from other funds	853,115	853,115	853,111	(4)
Advance payment to other funds	(898,000)	(898,000)	(747,500)	150,500
Transfers out	(350,000)	(350,000)	(339,411)	10,589
Total Other Financing Sources (Uses)	175,115	175,115	246,200	71,085
<b>NET CHANGE IN FUND BALANCE</b>	\$ (144,519)	(130,469)	3,161,033	3,291,502
<b>FUND BALANCE, JANUARY 1, AS PREVIOUSLY STATED</b>			19,972,455	
<b>RESTATEMENT FOR FAIR MARKET VALUE ADJUSTMENT, INVESTMENTS</b>			422,840	
<b>FUND BALANCE, JANUARY 1, AS RESTATED</b>			20,395,295	
<b>FUND BALANCE, DECEMBER 31</b>			\$ 23,556,328	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL PARK FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>				
Municipal taxes	\$ 2,400,000	2,400,000	2,464,735	64,735
Parks and recreation	1,170,300	1,170,300	1,126,325	(43,975)
Intergovernmental	275,000	275,000	270,000	(5,000)
Miscellaneous	-	38,215	65,161	26,946
Total Revenues	<u>3,845,300</u>	<u>3,883,515</u>	<u>3,926,221</u>	<u>42,706</u>
<b>EXPENDITURES</b>				
<b>Parks and Recreation</b>				
Park administration	231,877	233,577	233,561	(16)
Recreation	601,513	593,713	587,348	(6,365)
Community Centre	800,114	811,860	803,956	(7,904)
Sportport	682,513	699,028	570,833	(128,195)
Aquaport	453,907	465,286	428,974	(36,312)
Park maintenance	672,511	681,011	677,126	(3,885)
Total Parks And Recreation	<u>3,442,435</u>	<u>3,484,475</u>	<u>3,301,798</u>	<u>(182,677)</u>
<b>Capital Projects</b>				
Parkwood Avenue	55,000	56,200	56,099	(101)
Dog Park	35,000	45,000	44,829	(171)
Mckelvey Road	-	98,800	98,633	(167)
Total Capital Projects	<u>90,000</u>	<u>200,000</u>	<u>199,561</u>	<u>(439)</u>
<b>Debt Service</b>				
Principal	1,315,000	1,315,000	1,380,000	65,000
Interest	245,000	245,000	173,980	(71,020)
Total Debt Service	<u>1,560,000</u>	<u>1,560,000</u>	<u>1,553,980</u>	<u>(6,020)</u>
Total Expenditures	<u>5,092,435</u>	<u>5,244,475</u>	<u>5,055,339</u>	<u>(189,136)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(1,247,135)</u>	<u>(1,360,960)</u>	<u>(1,129,118)</u>	<u>231,842</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	350,000	350,000	378,565	28,565
Advance from General Fund	898,000	898,000	747,500	(150,500)
Total Other Financing Sources	<u>1,248,000</u>	<u>1,248,000</u>	<u>1,126,065</u>	<u>(121,935)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 865</u>	<u>(112,960)</u>	<u>(3,053)</u>	<u>109,907</u>
FUND BALANCE, JANUARY 1			<u>3,301</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 248</u>	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - REGIONAL INFRASTRUCTURE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>				
Municipal taxes	\$ 4,110,000	4,110,000	4,011,709	(98,291)
Unspent encumbrances	-	-	27,976	27,976
Total Revenues	4,110,000	4,110,000	4,039,685	(70,315)
<b>EXPENDITURES</b>				
<b>Public Works Projects</b>				
Howard Bend planning implementation	160,000	160,000	153,599	(6,401)
City of Maryland Heights Expressway extension	300,000	420,000	407,966	107,966
Dorsett Road	3,200,000	3,200,000	49,872	(3,150,128)
Total Expenditures	3,660,000	3,780,000	611,437	(3,048,563)
<b>REVENUES OVER EXPENDITURES</b>	450,000	330,000	3,428,248	2,978,248
<b>OTHER FINANCING USES</b>				
Transfers out	(115,000)	(115,000)	(92,000)	23,000
<b>NET CHANGE IN FUND BALANCE</b>	\$ 335,000	215,000	3,336,248	3,001,248
FUND BALANCE, JANUARY 1			3,252,792	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 6,589,040</b>	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**BUDGETARY DATA**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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**EXPLANATION OF BUDGETARY PROCESS**

City ordinances require a legally adopted annual budget be prepared for the General Fund, all Special Revenue Funds (except the South Heights TIF District Beautification, Employee Supplemental Benefits, and Page/270 TIF District Special Revenue Funds), and the 2003 Leasehold Revenue Bonds Debt Service Fund. 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 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 \$10,000 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 project 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 \$10,000 between projects 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.

**EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended December 31, 2006, expenditures exceeded appropriations in the 2003 Leasehold Revenue Bonds Fund. These over expenditures were funded by additional revenues.

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**BUDGETARY BASIS OF ACCOUNTING**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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

	<b>Governmental Fund Types</b>						
	<b>General</b>	<b>Special Park</b>	<b>Regional Infrastructure</b>	<b>Capital Improvements</b>	<b>Government Center Capital Projects</b>	<b>Nonmajor Special Revenue</b>	<b>Nonmajor Debt Service</b>
<b>Fund balances:</b>							
GAAP basis	\$ 31,624,139	(5,876,607)	7,067,422	3,714,169	18,003,860	7,985,467	2,798,126
Encumbrances reserved at December 31, 2006	(69,779)	(73,145)	(478,382)	(2,045,676)	(214,720)	(1,567,733)	-
Advances (to) from other funds	(8,151,541)	5,950,000	-	-	-	-	-
Investments, FMV adjustment	153,509	-	-	-	-	-	-
Unbudgeted funds	-	-	-	-	-	(1,630,676)	(1,594,063)
<b>Budget Basis</b>	<b><u>\$ 23,556,328</u></b>	<b><u>248</u></b>	<b><u>6,589,040</u></b>	<b><u>1,668,493</u></b>	<b><u>17,789,140</u></b>	<b><u>4,787,058</u></b>	<b><u>1,204,063</u></b>
<b>Net change in fund balances:</b>							
GAAP basis	\$ 3,340,798	(941,477)	3,225,530	(2,847,351)	1,885,683	1,762,834	77,951
Encumbrances reserved at: December 31, 2005	53,734	264,069	589,100	6,746,601	77,171	485,965	-
December 31, 2006	(69,779)	(73,145)	(478,382)	(2,045,676)	(214,720)	(1,567,733)	-
Advances (to) from other funds	105,611	747,500	-	(200,000)	-	-	-
Investment, FMV adjustment	(269,331)	-	-	-	-	-	-
Unbudgeted funds	-	-	-	-	-	(930,527)	(31,021)
<b>Budget Basis</b>	<b><u>\$ 3,161,033</u></b>	<b><u>(3,053)</u></b>	<b><u>3,336,248</u></b>	<b><u>1,653,574</u></b>	<b><u>1,748,134</u></b>	<b><u>(249,461)</u></b>	<b><u>46,930</u></b>

**OTHER SUPPLEMENTAL INFORMATION SECTION**

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

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**SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

**Industrial Development Fund** -- This fund is used to account for the activity of the Industrial Development Authority, a not-for-profit corporation established by resolution of the City Council and formed under RSMo Chapter 349, *The Industrial Development Corporations Act*. It is designed to develop, advance, encourage, and promote commercial, industrial, agricultural, and manufacturing facilities in and about the City. The Industrial Development Authority is defined as a blended component unit of the City's financial reporting entity.

**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.

**Employee Supplemental Benefits Fund** -- This fund was established in 2005 to account for certain supplemental pension benefits to qualified employees.

**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.

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

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**Page/270 TIF Fund** -- This fund accounts for the payments in lieu of taxes and the incremental economic activity taxes received in the Page/270 TIF District as required by state statute.

**DEBT SERVICE FUNDS**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.



**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 9,697,273	56,091	9,753,364
Cash and investments - restricted	-	2,723,232	2,723,232
Accounts receivable:			
Municipal taxes	976,988	-	976,988
Accrued interest	-	27,939	27,939
Prepaid expenditures	1,363	-	1,363
	<u>1,363</u>	<u>-</u>	<u>1,363</u>
Total Assets	<u>\$ 10,675,624</u>	<u>2,807,262</u>	<u>13,482,886</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 239,620	-	239,620
Accrued payroll	6,963	-	6,963
Deferred revenue	209,839	-	209,839
Due to other fund	32,194	9,136	41,330
Advance from General Fund	2,201,541	-	2,201,541
Total Liabilities	<u>2,690,157</u>	<u>9,136</u>	<u>2,699,293</u>
 <b>Fund Balances</b>			
Reserved for:			
Debt service	-	2,723,232	2,723,232
Encumbrances	1,567,733	-	1,567,733
Unreserved - undesignated	6,417,734	74,894	6,492,628
Total Fund Balances	<u>7,985,467</u>	<u>2,798,126</u>	<u>10,783,593</u>
Total Liabilities And Fund Balances	<u>\$ 10,675,624</u>	<u>2,807,262</u>	<u>13,482,886</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>			
Municipal taxes	\$ 3,978,565	1,080,000	5,058,565
Intergovernmental	12,292	-	12,292
Investment income	16,423	120,075	136,498
Miscellaneous	111,237	-	111,237
Total Revenues	<u>4,118,517</u>	<u>1,200,075</u>	<u>5,318,592</u>
<b>EXPENDITURES</b>			
Current:			
Community development	758,477	-	758,477
Public works	979,586	-	979,586
Police services	242,386	-	242,386
Human services	13,847	-	13,847
Capital outlay	499,691	-	499,691
Debt service:			
Principal	-	675,000	675,000
Interest	1,015,986	407,970	1,423,956
Total Expenditures	<u>3,509,973</u>	<u>1,082,970</u>	<u>4,592,943</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>608,544</u>	<u>117,105</u>	<u>725,649</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(112,000)	(39,154)	(151,154)
Proceeds of sale of property	653,112	-	653,112
Increment financing notes issued	613,178	-	613,178
Total Other Financing Sources (Uses)	<u>1,154,290</u>	<u>(39,154)</u>	<u>1,115,136</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,762,834	77,951	1,840,785
<b>FUND BALANCES, JANUARY 1</b>	<u>6,222,633</u>	<u>2,720,175</u>	<u>8,942,808</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 7,985,467</u>	<u>2,798,126</u>	<u>10,783,593</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2006**

	Street Lighting	Tourism Tax	Police Forfeitures	Storm Water	South Heights TIF District	Industrial Develop- ment	Sewer Lateral	Police Training	Employee Supplemental Benefits	Beautifi- cation	Dorsett TIF	Page/270 TIF	Total
<b>ASSETS</b>													
Cash and investments	\$ 1,431,780	-	185,085	4,541,650	1,366,655	11,536	84,375	48,720	1,847,197	4,939	103,698	71,638	9,697,273
Municipal taxes receivable	68,694	30,831	-	204,814	585,051	-	38,803	-	-	-	48,795	-	976,988
Prepaid expenditures	-	1,363	-	-	-	-	-	-	-	-	-	-	1,363
<b>Total Assets</b>	<b>\$ 1,500,474</b>	<b>32,194</b>	<b>185,085</b>	<b>4,746,464</b>	<b>1,951,706</b>	<b>11,536</b>	<b>123,178</b>	<b>48,720</b>	<b>1,847,197</b>	<b>4,939</b>	<b>152,493</b>	<b>71,638</b>	<b>10,675,624</b>
<b>LIABILITIES AND FUND BALANCES (DEFICIT)</b>													
<b>Liabilities</b>													
Accounts payable	\$ 40,194	-	1,184	143,151	17,110	-	37,559	422	-	-	-	-	239,620
Accrued payroll	-	-	-	6,963	-	-	-	-	-	-	-	-	6,963
Deferred revenue	74,721	-	-	83,675	26,153	-	23,226	-	-	-	2,064	-	209,839
Due to other fund	-	32,194	-	-	-	-	-	-	-	-	-	-	32,194
Advance from General Fund	-	-	-	-	2,201,541	-	-	-	-	-	-	-	2,201,541
<b>Total Liabilities</b>	<b>114,915</b>	<b>32,194</b>	<b>1,184</b>	<b>233,789</b>	<b>2,244,804</b>	<b>-</b>	<b>60,785</b>	<b>422</b>	<b>-</b>	<b>-</b>	<b>2,064</b>	<b>-</b>	<b>2,690,157</b>
<b>Fund Balances (Deficit)</b>													
Reserved for encumbrances	363,966	-	2,462	1,085,805	-	-	-	-	-	-	115,500	-	1,567,733
Unreserved - undesignated	1,021,593	-	181,439	3,426,870	(293,098)	11,536	62,393	48,298	1,847,197	4,939	34,929	71,638	6,417,734
<b>Total Fund Balances (Deficit)</b>	<b>1,385,559</b>	<b>-</b>	<b>183,901</b>	<b>4,512,675</b>	<b>(293,098)</b>	<b>11,536</b>	<b>62,393</b>	<b>48,298</b>	<b>1,847,197</b>	<b>4,939</b>	<b>150,429</b>	<b>71,638</b>	<b>7,985,467</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 1,500,474</b>	<b>32,194</b>	<b>185,085</b>	<b>4,746,464</b>	<b>1,951,706</b>	<b>11,536</b>	<b>123,178</b>	<b>48,720</b>	<b>1,847,197</b>	<b>4,939</b>	<b>152,493</b>	<b>71,638</b>	<b>10,675,624</b>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES (DEFICIT) - NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Street Lighting	Tourism Tax	Police Forfeitures	Storm Water	South Heights TIF District	Industrial Develop- ment	Sewer Lateral	Police Training	Employee Supplemental Benefits	Beautifi- cation	Dorsett TIF	Page/270 TIF	Total
<b>REVENUES</b>													
Municipal taxes	\$ 390,838	134,637	-	1,643,157	1,464,404	-	218,841	-	-	180	90,909	35,599	3,978,565
Intergovernmental	-	-	-	-	-	-	-	12,292	-	-	-	-	12,292
Investment income	-	-	9,294	-	7,129	-	-	-	-	-	-	-	16,423
Miscellaneous	-	-	88,737	-	-	-	-	-	-	-	22,500	-	111,237
Total Revenues	<u>390,838</u>	<u>134,637</u>	<u>98,031</u>	<u>1,643,157</u>	<u>1,471,533</u>	<u>-</u>	<u>218,841</u>	<u>12,292</u>	<u>-</u>	<u>180</u>	<u>113,409</u>	<u>35,599</u>	<u>4,118,517</u>
<b>EXPENDITURES</b>													
Current:													
Community development	-	134,637	-	-	614,714	-	-	-	-	-	9,126	-	758,477
Public works	322,152	-	-	478,463	-	-	178,971	-	-	-	-	-	979,586
Police services	-	-	5,481	-	-	-	-	24,530	212,375	-	-	-	242,386
Human services	-	-	13,847	-	-	-	-	-	-	-	-	-	13,847
Capital outlay	36,909	-	63,053	399,729	-	-	-	-	-	-	-	-	499,691
Debt service:													
Interest	-	-	-	-	1,015,986	-	-	-	-	-	-	-	1,015,986
Total Expenditures	<u>359,061</u>	<u>134,637</u>	<u>82,381</u>	<u>878,192</u>	<u>1,630,700</u>	<u>-</u>	<u>178,971</u>	<u>24,530</u>	<u>212,375</u>	<u>-</u>	<u>9,126</u>	<u>-</u>	<u>3,509,973</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>31,777</u>	<u>-</u>	<u>15,650</u>	<u>764,965</u>	<u>(159,167)</u>	<u>-</u>	<u>39,870</u>	<u>(12,238)</u>	<u>(212,375)</u>	<u>180</u>	<u>104,283</u>	<u>35,599</u>	<u>608,544</u>
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers out	-	-	-	(92,000)	-	-	-	-	-	-	(20,000)	-	(112,000)
Proceeds of sale of property	-	-	-	-	653,112	-	-	-	-	-	-	-	653,112
Increment financing notes issued	-	-	-	-	613,178	-	-	-	-	-	-	-	613,178
Total Other Finan- cing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,000)</u>	<u>1,266,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>1,154,290</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>31,777</u>	<u>-</u>	<u>15,650</u>	<u>672,965</u>	<u>1,107,123</u>	<u>-</u>	<u>39,870</u>	<u>(12,238)</u>	<u>(212,375)</u>	<u>180</u>	<u>84,283</u>	<u>35,599</u>	<u>1,762,834</u>
<b>FUND BALANCES (DEFICIT), JANUARY 1</b>	<u>1,353,782</u>	<u>-</u>	<u>168,251</u>	<u>3,839,710</u>	<u>(1,400,221)</u>	<u>11,536</u>	<u>22,523</u>	<u>60,536</u>	<u>2,059,572</u>	<u>4,759</u>	<u>66,146</u>	<u>36,039</u>	<u>6,222,633</u>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<u>\$ 1,385,559</u>	<u>-</u>	<u>183,901</u>	<u>4,512,675</u>	<u>(293,098)</u>	<u>11,536</u>	<u>62,393</u>	<u>48,298</u>	<u>1,847,197</u>	<u>4,939</u>	<u>150,429</u>	<u>71,638</u>	<u>7,985,467</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Street Lighting</u>			<u>Tourism Tax</u>			<u>Police Forfeitures</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>									
Municipal taxes	\$ 388,000	390,838	2,838	136,000	134,637	(1,363)	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	9,294	9,294
Miscellaneous	-	10,973	10,973	-	-	-	47,000	88,737	41,737
Total Revenues	<u>388,000</u>	<u>401,811</u>	<u>13,811</u>	<u>136,000</u>	<u>134,637</u>	<u>(1,363)</u>	<u>47,000</u>	<u>98,031</u>	<u>51,031</u>
<b>EXPENDITURES</b>									
Current:									
Community development	-	-	-	136,000	134,637	(1,363)	-	-	-
Public works	259,200	259,148	(52)	-	-	-	-	-	-
Public works projects:									
Old Height Area Drainage	-	-	-	-	-	-	-	-	-
Wylwood Avenue-West of Smiley Road	-	-	-	-	-	-	-	-	-
Shumate/Franke	-	-	-	-	-	-	-	-	-
Small Storm Water	-	-	-	-	-	-	-	-	-
Harding/Lansing/Delord	-	-	-	-	-	-	-	-	-
Galaxy/Meteor/Briarhall	-	-	-	-	-	-	-	-	-
12014 Glenpark Drive	-	-	-	-	-	-	-	-	-
Street lighting	435,800	307,521	(128,279)	-	-	-	-	-	-
Pheasant Run/Foxpoint Drive	-	-	-	-	-	-	-	-	-
Fee Fee Creek	-	-	-	-	-	-	-	-	-
Venus Lane	-	-	-	-	-	-	-	-	-
Midland Creek	-	-	-	-	-	-	-	-	-
Centerline Industrial	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	55,600	49,031	(6,569)
Human services	-	-	-	-	-	-	17,000	13,847	(3,153)
Total Expenditures	<u>695,000</u>	<u>566,669</u>	<u>(128,331)</u>	<u>136,000</u>	<u>134,637</u>	<u>(1,363)</u>	<u>72,600</u>	<u>62,878</u>	<u>(9,722)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(307,000)</u>	<u>(164,858)</u>	<u>142,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,600)</u>	<u>35,153</u>	<u>60,753</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers out	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (307,000)</u>	<u>(164,858)</u>	<u>142,142</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,600)</u>	<u>35,153</u>	<u>60,753</u>
FUND BALANCES, JANUARY 1		<u>1,186,449</u>			<u>-</u>			<u>146,287</u>	
<b>FUND BALANCES, DECEMBER 31</b>		<u>\$ 1,021,591</u>			<u>-</u>			<u>181,440</u>	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	Storm Water			Industrial Development			Sewer Lateral		
	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget	Revised Budget	Actual	Over (Under) Budget
<b>REVENUES</b>									
Municipal taxes	1,600,000	1,643,157	43,157	-	-	-	210,000	218,841	8,841
Intergovernmental	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Miscellaneous	-	132,591	132,591	-	-	-	-	-	-
Total Revenues	<u>1,600,000</u>	<u>1,775,748</u>	<u>175,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,000</u>	<u>218,841</u>	<u>8,841</u>
<b>EXPENDITURES</b>									
Current:									
Community development	-	-	-	-	-	-	-	-	-
Public works	502,473	478,463	(24,010)	25,000	-	(25,000)	183,000	178,971	(4,029)
Public works projects:									
Old Height Area Drainage	475,000	500	(474,500)	-	-	-	-	-	-
Wylwood Avenue-West of Smiley Road	725,000	529,857	(195,143)	-	-	-	-	-	-
Shumate/Franke	600,000	10,290	(589,710)	-	-	-	-	-	-
Small Storm Water	290,000	229,773	(60,227)	-	-	-	-	-	-
Harding/Lansing/Delord	350,000	37,043	(312,957)	-	-	-	-	-	-
Galaxy/Meteor/Briarhall	975,000	13,535	(961,465)	-	-	-	-	-	-
12014 Glenpark Drive	245,000	238,046	(6,954)	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-
Pheasant Run/Foxpoint Drive	45,000	28,625	(16,375)	-	-	-	-	-	-
Fee Fee Creek	100,000	-	(100,000)	-	-	-	-	-	-
Venus Lane	80,000	80,000	-	-	-	-	-	-	-
Midland Creek	54,622	54,622	-	-	-	-	-	-	-
Centerline Industrial	60,000	52,669	(7,331)	-	-	-	-	-	-
Machinery and equipment	70,000	46,496	(23,504)	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	-	-
Human services	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,572,095</u>	<u>1,799,919</u>	<u>(2,772,176)</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>183,000</u>	<u>178,971</u>	<u>(4,029)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,972,095)</u>	<u>(24,171)</u>	<u>2,947,924</u>	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>	<u>27,000</u>	<u>39,870</u>	<u>12,870</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers out	(115,000)	(92,000)	23,000	-	-	-	-	-	-
Transfers in	-	-	-	20,000	-	(20,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(115,000)</u>	<u>(92,000)</u>	<u>23,000</u>	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(3,087,095)</u>	<u>(116,171)</u>	<u>2,970,924</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>	<u>27,000</u>	<u>39,870</u>	<u>12,870</u>
FUND BALANCES, JANUARY 1		3,543,041			11,536			22,523	
<b>FUND BALANCES, DECEMBER 31</b>		<u>3,426,870</u>			<u>11,536</u>			<u>62,393</u>	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES - BUDGET AND ACTUAL - NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Police Training</u>			<u>Dorsett TIF</u>			<u>Total</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>									
Municipal taxes	-	-	-	67,000	90,909	23,909	2,401,000	2,478,382	77,382
Intergovernmental	16,000	12,292	(3,708)	-	-	-	16,000	12,292	(3,708)
Investment income	-	-	-	-	-	-	-	9,294	9,294
Miscellaneous	-	-	-	12,500	22,500	10,000	59,500	254,801	195,301
Total Revenues	<u>16,000</u>	<u>12,292</u>	<u>(3,708)</u>	<u>79,500</u>	<u>113,409</u>	<u>33,909</u>	<u>2,476,500</u>	<u>2,754,769</u>	<u>278,269</u>
<b>EXPENDITURES</b>									
Current:									
Community development	-	-	-	125,500	124,626	(874)	261,500	259,263	(2,237)
Public works	-	-	-	-	-	-	969,673	916,582	(53,091)
Public works projects:									
Old Height Area Drainage	-	-	-	-	-	-	475,000	500	(474,500)
Wylwood Avenue-West of Smiley Road	-	-	-	-	-	-	725,000	529,857	(195,143)
Shumate/Franke	-	-	-	-	-	-	600,000	10,290	(589,710)
Small Storm Water	-	-	-	-	-	-	290,000	229,773	(60,227)
Harding/Lansing/Delord	-	-	-	-	-	-	350,000	37,043	(312,957)
Galaxy/Meteor/Briarhall	-	-	-	-	-	-	975,000	13,535	(961,465)
12014 Glenpark Drive	-	-	-	-	-	-	245,000	238,046	(6,954)
Street lighting	-	-	-	-	-	-	435,800	307,521	(128,279)
Pheasant Run/Foxpoint Drive	-	-	-	-	-	-	45,000	28,625	(16,375)
Fee Fee Creek	-	-	-	-	-	-	100,000	-	(100,000)
Venus Lane	-	-	-	-	-	-	80,000	80,000	-
Midland Creek	-	-	-	-	-	-	54,622	54,622	-
Centerline Industrial	-	-	-	-	-	-	60,000	52,669	(7,331)
Machinery and equipment	-	-	-	-	-	-	70,000	46,496	(23,504)
Police services	33,275	24,530	(8,745)	-	-	-	88,875	73,561	15,314
Human services	-	-	-	-	-	-	17,000	13,847	(3,153)
Total Expenditures	<u>33,275</u>	<u>24,530</u>	<u>(8,745)</u>	<u>125,500</u>	<u>124,626</u>	<u>(874)</u>	<u>5,842,470</u>	<u>2,892,230</u>	<u>(2,950,240)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(17,275)</u>	<u>(12,238)</u>	<u>5,037</u>	<u>(46,000)</u>	<u>(11,217)</u>	<u>34,783</u>	<u>(3,365,970)</u>	<u>(137,461)</u>	<u>3,228,509</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers out	-	-	-	(20,000)	(20,000)	-	(135,000)	(112,000)	23,000
Transfers in	-	-	-	-	-	-	20,000	-	(20,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(115,000)</u>	<u>(112,000)</u>	<u>3,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(17,275)</u>	<u>(12,238)</u>	<u>5,037</u>	<u>(66,000)</u>	<u>(31,217)</u>	<u>34,783</u>	<u>(3,480,970)</u>	<u>(249,461)</u>	<u>3,231,509</u>
FUND BALANCES, JANUARY 1		<u>60,536</u>			<u>66,147</u>			<u>5,036,519</u>	
<b>FUND BALANCES, DECEMBER 31</b>		<u>48,298</u>			<u>34,930</u>			<u>4,787,058</u>	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - NONMAJOR DEBT SERVICE FUNDS**  
**DECEMBER 31, 2006**

	<b>1997</b>	<b>2003</b>	
	<b>Leasehold Revenue Bonds</b>	<b>Leasehold Revenue Bonds</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ -	56,091	56,091
Cash and investments - restricted	1,592,575	1,130,657	2,723,232
Accrued interest receivable	10,624	17,315	27,939
	<u>1,603,199</u>	<u>1,204,063</u>	<u>2,807,262</u>
Total Assets	<u>\$ 1,603,199</u>	<u>1,204,063</u>	<u>2,807,262</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Due to other fund	\$ 9,136	-	9,136
 <b>Fund Balances</b>			
Reserved for debt service	1,592,575	1,130,657	2,723,232
Unreserved - undesignated	1,488	73,406	74,894
Total Fund Balances	<u>1,594,063</u>	<u>1,204,063</u>	<u>2,798,126</u>
Total Liabilities And Fund Balances	<u>\$ 1,603,199</u>	<u>1,204,063</u>	<u>2,807,262</u>



**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - NONMAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>1997</b>	<b>2003</b>	
	<b>Leasehold Revenue Bonds</b>	<b>Leasehold Revenue Bonds</b>	<b>Total</b>
<b>REVENUES</b>			
Municipal taxes	\$ -	1,080,000	1,080,000
Investment income	70,175	49,900	120,075
Total Revenues	<u>70,175</u>	<u>1,129,900</u>	<u>1,200,075</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal	-	675,000	675,000
Interest	-	407,970	407,970
Total Expenditures	<u>-</u>	<u>1,082,970</u>	<u>1,082,970</u>
<b>REVENUES OVER EXPENDITURES</b>	70,175	46,930	117,105
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(39,154)</u>	<u>-</u>	<u>(39,154)</u>
<b>NET CHANGE IN FUND BALANCES</b>	31,021	46,930	77,951
FUND BALANCES, JANUARY 1	<u>1,563,042</u>	<u>1,157,133</u>	<u>2,720,175</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u><u>\$ 1,594,063</u></u>	<u><u>1,204,063</u></u>	<u><u>2,798,126</u></u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - 2003 LEASEHOLD REVENUE BONDS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<b>Revised Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Municipal taxes	\$ 1,080,000	1,080,000	-
Investment income	-	49,900	49,900
Total Revenues	1,080,000	1,129,900	49,900
<b>EXPENDITURES</b>			
Debt service:			
Principal	665,000	675,000	10,000
Interest	415,000	407,970	(7,030)
Total Expenditures	1,080,000	1,082,970	2,970
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>46,930</b>	<b>46,930</b>
<b>FUND BALANCE, JANUARY 1</b>		<b>1,157,133</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 1,204,063</b>	

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

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**CAPITAL PROJECTS MAJOR FUNDS**

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

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Municipal taxes	\$ 7,100,000	6,955,349	(144,651)
Intergovernmental	1,690,000	1,327,493	(362,507)
Unspent encumbrances	-	566,302	566,302
Total Revenues	8,790,000	8,849,144	59,144
<b>EXPENDITURES</b>			
Public works projects:			
Midland Avenue - Smiley/Eldon	113,300	109,313	(3,987)
Annual Slab Replacement	2,000,000	1,941,602	(58,398)
Adie Road Phase I - Schaefer/Ball	2,350	2,344	(6)
Asphalt Street Resurfacing	420,000	101,418	(318,582)
Edgeworth Avenue	50,000	(11,852)	(61,852)
Weldon Parkway	325,000	107,362	(217,638)
McKelvey Road	200,000	79,699	(120,301)
Bennington - CC Mill/Glenpark	1,003,000	684,629	(318,371)
Fee Fee Road	200,000	57,367	(142,633)
Public Works Maintenance Facility Expansion	1,000	968	(32)
Millwell Drive Sidewalk	200,000	172,928	(27,072)
Harding Avenue	290,550	26	(290,524)
Right-of-way Enhancement Program	100,000	10,099	(89,901)
Eldon/Lakeport/Doddridge	35,000	33,402	(1,598)
Parkwood Lane	308,334	308,242	(92)
Westling Drive	325,000	190,592	(134,408)
Westport Intersections	250,000	14,000	(236,000)
Craigshire Drive	152,000	151,968	(32)
Grand Circle Drive	30,000	-	(30,000)
Lackland Road	275,000	159,634	(115,366)
Machinery and equipment	106,000	105,829	(171)
Total Expenditures	6,386,534	4,219,570	(2,166,964)
<b>REVENUES UNDER EXPENDITURES</b>	<b>2,403,466</b>	<b>4,629,574</b>	<b>(2,226,108)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Repayment of advance	-	(200,000)	200,000
Transfers out	(2,840,000)	(2,776,000)	(64,000)
Total Other Financing Sources (Uses)	(2,840,000)	(2,976,000)	136,000
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (436,534)</b>	<b>1,653,574</b>	<b>2,090,108</b>
FUND BALANCE, JANUARY 1		14,919	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 1,668,493</b>	

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GOVERNMENT CENTER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Revised Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Investment income	\$ 300,000	478,903	178,903
Miscellaneous	-	142,433	142,433
Unspent encumbrances	-	77,111	77,111
Total Revenues	300,000	698,447	398,447
<b>EXPENDITURES</b>			
Government center	16,500,000	1,450,313	(15,049,687)
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>			
	(16,200,000)	(751,866)	(15,448,134)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	2,500,000	2,500,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (13,700,000)</b>	<b>1,748,134</b>	<b>15,448,134</b>
FUND BALANCE, JANUARY 1		16,041,006	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 17,789,140</b>	

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

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**FIDUCIARY FUND TYPES**

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

**CITY OF MARYLAND HEIGHTS, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<u>Balance</u> <u>December 31</u> <u>2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31</u> <u>2006</u>
<b>ASSETS</b>				
Cash and investments	\$ 464,157	413,724	381,642	496,239
<b>LIABILITIES</b>				
Accounts payable	62	49,922	49,684	300
Deposits held for others	464,095	415,150	383,306	495,939
Total Liabilities	<u>464,157</u>	<u>465,072</u>	<u>432,990</u>	<u>496,239</u>
<b>NET ASSETS</b>	<u>\$ -</u>	<u>(51,348)</u>	<u>(51,348)</u>	<u>-</u>

**SECTION III - STATISTICAL SECTION**



# CITY OF MARYLAND HEIGHTS, MISSOURI

## STATISTICAL

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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 supplementary information says about the City's overall financial health.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	67 - 71
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	72 - 76
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	77 - 80
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	81 - 82
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	83 - 85

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

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Net Assets by Component

**Last Four Fiscal Years**  
(Accrual basis of accounting)

	<b>December 31</b>			
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Governmental activities:				
Invested in capital assets, net of related debt	\$103,150,644	110,496,032	75,219,092	82,956,251
Restricted for debt service	2,637,418	2,637,418	2,637,418	2,798,126
Restricted for other purposes	3,819,216	4,190,336	4,078,160	4,882,874
Unrestricted	17,184,626	20,553,300	25,351,150	30,812,213
	<u>\$126,791,904</u>	<u>137,877,086</u>	<u>107,285,820</u>	<u>121,449,464</u>

2003 was the first year of GASB 34 implementation.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Changes in Net Assets

Last Four Fiscal Years  
(Accrual basis of accounting)

	For The Years Ended December 31			
	2003	2004	2005	2006
<b>EXPENSES</b>				
Legislative	\$ 131,272	130,755	131,595	141,404
General administration	1,159,881	1,116,974	1,549,858	1,341,306
Finance and accounting	1,435,449	1,475,010	1,265,943	1,148,425
Community development	4,991,444	1,891,832	2,006,319	1,322,292
Public works	7,023,422	8,932,627	7,937,563	8,527,596
Police services	7,208,461	7,865,903	8,112,693	8,586,081
Judicial	210,105	245,429	238,793	256,874
Parks and recreation activities	3,796,326	3,843,452	3,858,671	3,812,626
Human services	221,829	220,890	257,888	270,752
Interest on long-term debt	1,059,838	1,380,687	1,534,931	1,607,220
Total Expenses	27,238,027	27,103,559	26,894,254	27,014,576
<b>PROGRAM REVENUES</b>				
Charges for services:				
Community development	479,806	488,440	451,874	615,292
Public works	218,434	219,591	221,490	220,067
Police services	1,647,245	2,077,178	1,850,794	2,016,945
Judicial	204,347	264,554	232,020	218,077
Parks and recreation	1,286,360	915,092	1,045,053	1,126,325
Human services	33,014	31,581	27,108	36,282
Operating grants and contributions	2,006,055	2,046,403	2,134,230	2,291,166
Capital grants and contributions	95,776	4,496,027	324,000	1,327,493
Total Program Revenues	5,971,037	10,538,866	6,286,569	7,851,647
<b>NET REVENUE (EXPENSES)</b>	(21,266,990)	(16,564,693)	(20,607,685)	(19,162,929)
<b>GENERAL REVENUES</b>				
Taxes:				
Gaming taxes	13,300,709	15,457,468	15,607,319	16,070,698
Sales taxes	6,572,009	7,186,306	7,831,881	7,616,477
Gross receipts tax on utilities	4,095,310	4,141,272	4,296,972	4,208,938
Property tax from tax increment financing	519,599	808,913	1,222,353	1,498,625
Hotel/motel tax	118,760	124,270	127,919	134,637
Cigarette tax	96,793	94,755	91,490	90,784
Business licenses	501,773	542,440	534,556	517,842
Cable TV franchise fee	190,002	214,334	222,267	237,435
Investment earnings	729,422	541,211	1,303,006	2,739,645
Gain on sale of capital assets	-	12,760	-	-
Miscellaneous	305,096	293,501	597,053	211,492
Special items	-	(2,000,000)	(41,818,397)	-
	26,429,473	27,417,230	(9,983,581)	33,326,573
<b>CHANGES IN NET ASSETS</b>	\$ 5,162,483	10,852,537	(30,591,266)	14,163,644

2003 was the first year of GASB 34 implementation.

**Special items:**

In 2004 the City established a new OPEB fund for retiree health benefits by transferring funds from the General Fund.

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

**CITY OF MARYLAND HEIGHTS, MISSOURI**

**Fund Balances, Governmental Funds**

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

	December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Fund</b>										
Reserved	\$ 367,829	4,176,048	9,453,580	8,174,824	8,922,828	19,373,108	13,105,773	7,513,170	8,664,143	8,617,908
Unreserved	5,992,213	9,747,859	11,676,507	13,738,391	16,393,558	7,870,888	15,472,832	18,454,693	19,619,198	23,006,231
Total General Fund	<u>\$ 6,360,042</u>	<u>13,923,907</u>	<u>21,130,087</u>	<u>21,913,215</u>	<u>25,316,386</u>	<u>27,243,996</u>	<u>28,578,605</u>	<u>25,967,863</u>	<u>28,283,341</u>	<u>31,624,139</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 14,134,493	2,928,598	4,193,456	16,502,970	16,841,808	21,393,903	9,565,894	13,942,049	10,800,324	7,102,888
Unreserved, reported in:										
Special Revenue Funds	4,290,488	6,542,312	4,401,234	(2,808,500)	(5,365,320)	(13,281,151)	(7,255,626)	(21,704)	3,790,261	7,057,022
Capital Projects Funds	-	-	-	-	-	-	19,511,918	14,206,476	15,855,925	19,457,633
Debt Service Funds	-	-	-	-	-	-	13,827	81,471	82,757	74,894
Total All Other Govern- mental Funds	<u>\$ 18,424,981</u>	<u>9,470,910</u>	<u>8,594,690</u>	<u>13,694,470</u>	<u>11,476,488</u>	<u>8,112,752</u>	<u>21,836,013</u>	<u>28,208,292</u>	<u>30,529,267</u>	<u>33,692,437</u>

**CITY OF MARYLAND HEIGHTS, MISSOURI**

**Changes in Fund Balances, Governmental Funds**

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

	<b>For The Years Ended December 31</b>									
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>REVENUES</b>										
Municipal taxes	\$ 22,255,836	28,078,003	29,611,238	31,689,300	30,218,313	28,150,673	26,723,259	29,999,393	31,274,624	32,124,637
Licenses, permits, fines, and fees	1,835,080	1,714,616	2,034,487	2,014,505	2,395,785	2,865,618	2,809,902	3,156,399	2,984,421	3,275,992
Parks and recreation	176,389	773,518	1,054,386	1,307,652	1,383,732	1,467,690	1,286,360	915,092	1,045,053	1,126,325
Intergovernmental	343,865	475,260	380,901	1,293,993	1,026,950	619,962	390,322	951,499	723,733	1,998,536
Investment income	746,757	1,423,416	1,175,143	2,027,571	1,866,969	1,495,102	729,422	541,211	1,303,006	2,739,645
Miscellaneous	201,693	300,483	303,775	228,695	474,975	254,569	328,444	367,471	595,641	479,881
<b>Total Revenues</b>	<b>25,559,620</b>	<b>32,765,296</b>	<b>34,559,930</b>	<b>38,561,716</b>	<b>37,366,724</b>	<b>34,853,614</b>	<b>32,267,709</b>	<b>35,931,065</b>	<b>37,926,478</b>	<b>41,745,016</b>
<b>EXPENDITURES</b>										
Current:										
Legislative	122,544	120,420	129,500	119,395	120,349	114,683	131,272	130,755	131,595	141,404
General administration	951,276	880,857	933,334	1,090,655	1,048,267	1,146,230	1,137,908	1,082,408	1,515,250	1,446,536
Finance and accounting	557,644	744,443	831,494	1,074,558	1,415,297	1,573,769	1,374,118	1,400,955	1,179,825	1,089,494
Community development	1,870,817	3,939,764	4,881,726	997,217	9,220,032	3,780,317	4,970,706	1,866,034	1,988,579	1,927,037
Public works	6,494,613	4,104,001	3,866,030	3,227,744	3,047,806	3,144,183	3,160,229	3,991,879	4,045,859	4,293,510
Police services	4,624,637	4,904,499	5,353,595	5,624,088	6,218,246	6,694,674	6,984,520	7,629,945	7,888,779	8,398,337
Judicial	109,847	117,107	130,518	141,701	166,005	191,974	211,044	242,337	238,508	252,685
Parks and recreation	882,443	1,064,210	2,511,320	2,674,974	3,106,068	3,080,101	3,079,728	3,130,252	3,123,751	3,470,391
Human services	93,602	91,649	94,226	92,531	112,560	179,892	221,351	220,835	257,488	270,095
Debt service:										
Issuance costs	356,246	-	-	-	-	-	327,702	-	-	-
Principal	-	975,000	1,015,000	1,060,000	1,100,000	1,155,000	1,200,000	1,915,000	1,980,000	2,055,000
Interest	199,428	576,640	537,561	495,013	451,943	797,447	845,466	1,277,576	1,519,223	1,597,936
Capital outlay	2,894,854	16,631,912	7,957,980	16,080,932	18,434,962	20,433,313	10,965,729	9,427,035	8,872,054	11,564,913
<b>Total Expenditures</b>	<b>19,157,951</b>	<b>34,150,502</b>	<b>28,242,284</b>	<b>32,678,808</b>	<b>44,441,535</b>	<b>42,291,583</b>	<b>34,609,773</b>	<b>32,315,011</b>	<b>32,740,911</b>	<b>36,507,338</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,401,669</b>	<b>(1,385,206)</b>	<b>6,317,646</b>	<b>5,882,908</b>	<b>(7,074,811)</b>	<b>(7,437,969)</b>	<b>(2,342,064)</b>	<b>3,616,054</b>	<b>5,185,567</b>	<b>5,237,678</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from sale of bonds	13,420,000	-	-	-	-	-	12,000,000	-	-	-
Proceeds of tax increment financing notes	-	-	-	-	8,260,000	2,725,164	3,836,492	713,934	754,450	613,178
Sale of capital assets	-	-	-	-	-	196,077	1,563,442	1,431,549	513,798	653,112
Transfers in	2,084,584	1,248,837	2,719,398	2,497,972	3,228,787	6,253,890	7,341,051	7,444,374	4,908,123	3,358,565
Transfers out	(2,084,584)	(1,253,837)	(2,719,398)	(2,497,972)	(3,228,787)	(3,173,288)	(7,341,051)	(7,444,374)	(4,908,123)	(3,358,565)
<b>Total Other Financing Sources (Uses)</b>	<b>13,420,000</b>	<b>(5,000)</b>	<b>-</b>	<b>-</b>	<b>8,260,000</b>	<b>6,001,843</b>	<b>17,399,934</b>	<b>2,145,483</b>	<b>1,268,248</b>	<b>1,266,290</b>
<b>SPECIAL ITEMS</b>										
Contribution to OPEB trust fund	-	-	-	-	-	-	-	(2,000,000)	-	-
Government center costs not capitalized	-	-	-	-	-	-	-	-	(1,817,362)	-
<b>Total Special Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,000,000)</b>	<b>(1,817,362)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 19,821,669</b>	<b>(1,390,206)</b>	<b>6,317,646</b>	<b>5,882,908</b>	<b>1,185,189</b>	<b>(1,436,126)</b>	<b>15,057,870</b>	<b>3,761,537</b>	<b>4,636,453</b>	<b>6,503,968</b>
Debt service as a percentage of noncapital expenditures	3.42 %	8.86	7.65	9.37	5.97	8.93	10.04	13.95	14.66	14.65

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Tax Revenues by Source, Governmental Funds

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

<b>For The Years Ended December 31</b>	<b>Gaming</b>	<b>Utility Gross Receipts</b>	<b>Sales</b>	<b>Other</b>	<b>Total</b>
1997	\$ 8,664,282	\$ 3,929,295	\$ 7,626,698	\$ 2,035,561	\$ 22,255,836
1998	13,067,428	4,002,668	9,005,500	2,002,407	28,078,003
1999	15,883,085	4,142,842	7,616,819	1,968,492	29,611,238
2000	17,165,829	4,081,285	8,232,087	2,210,099	31,689,300
2001	16,007,410	4,344,927	7,456,339	2,409,636	30,218,312
2002	14,719,237	4,063,633	6,640,887	2,726,916	28,150,673
2003	13,300,709	4,082,652	6,500,676	2,839,222	26,723,259
2004	15,457,468	4,076,292	7,155,504	3,310,129	29,999,393
2005	15,607,319	4,254,320	7,742,913	3,670,072	31,274,624
2006	16,070,698	4,299,207	7,568,236	4,186,496	32,124,637

**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>	<b>For The Years Ended December 31</b>									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Electric	\$ 41,026,982	43,372,855	44,437,164	41,884,073	42,295,182	43,887,636	43,503,436	43,720,273	45,634,855	45,292,182
Gas	10,180,782	8,503,436	7,989,127	10,253,800	14,848,273	9,875,618	12,157,964	13,035,200	14,902,418	17,673,355
Telephone	16,539,818	17,093,091	18,919,727	18,071,291	17,700,236	16,009,909	14,425,873	13,370,364	12,551,309	10,830,181
Water	3,694,145	3,803,109	3,979,127	3,995,982	4,154,982	4,111,055	4,142,764	3,988,564	4,262,709	4,371,673
<b>Total Gross Receipts Of Utilities</b>	<b>\$ 71,441,727</b>	<b>72,772,491</b>	<b>75,325,145</b>	<b>74,205,146</b>	<b>78,998,673</b>	<b>73,884,218</b>	<b>74,230,036</b>	<b>74,114,401</b>	<b>77,351,291</b>	<b>78,167,391</b>
<b>Rate</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.5%</b>
<b>Revenue</b>	<b>\$ 3,929,295</b>	<b>4,002,487</b>	<b>4,142,883</b>	<b>4,081,283</b>	<b>4,344,927</b>	<b>4,063,632</b>	<b>4,082,652</b>	<b>4,076,292</b>	<b>4,254,321</b>	<b>4,299,207</b>

The City's rate of 5.5% is the only one applied.  
No overlapping jurisdictions impose this tax.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Principal Taxpayers-Gross Receipts Tax on Utilities

Years Ended December 31 - Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2006</u>			<u>1997</u>		
	<u>Taxable Gross Receipts</u>	<u>Rank</u>	<u>Percentage Of Total Taxable Gross Receipts</u>	<u>Taxable Gross Receipts</u>	<u>Rank</u>	<u>Percentage Of Total Taxable Gross Receipts</u>
AmerenUE	\$ 45,292,182	1	57.92 %	\$ 41,026,982	1	57.57 %
Laclede Gas	17,673,355	2	22.60	10,017,145	3	14.05
AT&T	8,697,000	3	11.12	16,539,818	2	23.20
Missouri-American Water Co.	4,371,673	4	<u>5.59</u>	3,694,145	4	<u>5.18</u>
			<u>97.23 %</u>			<u>100.00 %</u>



# 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>
2006	0.500 %	1.850 %	4.225 %	6.575 %
2005	0.500	1.850	4.225	6.575
2004	0.500	1.850	4.225	6.575
2003	0.500	1.850	4.225	6.575
2002	0.500	1.850	4.225	6.575
2001	0.500	1.850	4.225	6.575
2000	0.500	1.750	4.225	6.475
1999	0.500	1.750	4.225	6.475
1998	0.500	1.750	4.225	6.475
1997	0.500	1.750	4.225	6.475

The City levies a sales tax of one-half percent (.5%) for the purpose of parks and stormwater.

Additionally, the City receives a portion of a 1% sales tax (included in the rates shown above) levied by St. Louis County.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Taxable Sales Generated By Industry

December 31, 2006

Industry	Number Of Filers	Taxable Sales (thousands of dollars)	Percentage Of Total Taxable Gross Receipts
Wholesale trade, durable goods	87	\$ 133,230	14.78 %
Miscellaneous retail services	249	105,405	11.80
Eating and drinking places	73	86,586	9.61
Miscellaneous services (nonretail)	96	80,464	8.93
Electric, gas, sanitary services	3	53,148	5.90
Food stores	28	46,582	5.17
Amusement, recreation, including gaming	4	45,775	5.08
Hotels, rooming	11	52,521	5.82
Communication	96	33,751	3.74
Other		264,003	29.17
Total Taxable Sales		\$ 901,465	100.00%

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

State law prohibits the disclosure of specific taxpayer information.

No prior year information was available.

# 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>
1997	6,477	\$ 108,850	\$ 8,664	33.9 %
1998	9,345	184,100	13,067	39.9
1999	11,331	225,450	15,883	46.0
2000	12,295	238,700	17,165	44.5
2001	10,596	268,500	16,007	42.8
2002	9,438	263,200	14,719	42.2
2003	8,536	237,850	13,301	41.2
2004	9,661	282,700	15,457	43.0
2005	9,556	301,050	15,607	41.2
2006	9,657	319,600	16,071	38.5

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 20% on the taxable gross receipts of casinos of which the host city receives 10% of the tax (in effect 2% of the gross receipts).

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

**Other notes:**

A casino complex was opened in Maryland Heights in March 1997.

The measurement of a taxable admission caused an increase in tax beginning in 2000.

The reconfiguration of the casino in 2001 caused taxable admissions to decline.

**CITY OF MARYLAND HEIGHTS, MISSOURI**

**Ratios of Outstanding Debt by Type**

**Last Ten Fiscal Years**

	December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Governmental Activities</b>										
Tax Increment Notes	\$ -	-	-	-	8,260,000	10,985,164	14,821,656	15,535,591	16,290,041	16,903,219
Leasehold Revenue Bonds	13,420,000	12,445,000	11,430,000	10,370,000	9,270,000	8,115,000	18,915,000	17,000,000	15,020,000	12,965,000
Total Debt Outstanding	13,420,000	12,445,000	11,430,000	10,370,000	17,530,000	19,100,164	33,736,656	32,535,591	31,310,041	29,868,219
Less - Reserve for debt service	(1,556,146)	(1,690,636)	(1,572,914)	(1,675,258)	(1,605,394)	(1,562,652)	(2,637,418)	(2,637,418)	(2,637,418)	(2,637,418)
Net Debt Outstanding	\$ 11,863,854	10,754,364	9,857,086	8,694,742	15,924,606	17,537,512	31,099,238	29,898,173	28,672,623	27,230,801
Personal Income	\$ 452,450,400	452,450,400	452,450,400	663,371,536	663,371,536	663,371,536	663,371,536	704,297,820	704,297,820	704,297,820
Debt as Percentage of Personal Income	2.62 %	2.38	2.18	1.31	2.40	2.64	4.69	4.25	4.07	3.87
Population	25,440	25,440	25,440	25,756	25,756	25,756	25,756	27,345	27,345	27,345
Per Capita Debt	\$ 466	423	387	338	618	681	1,207	1,093	1,049	996

**CITY OF MARYLAND HEIGHTS, MISSOURI**

**Legal Debt Margin Information**

**Last Ten Fiscal Years**

Description	December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt Limit	\$ 67,216,227	72,306,005	75,315,948	79,498,753	84,015,824	83,656,707	85,341,738	86,080,592	95,834,312	96,326,049
Total debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 67,216,227</u>	<u>72,306,005</u>	<u>75,315,948</u>	<u>79,498,753</u>	<u>84,015,824</u>	<u>83,656,707</u>	<u>85,341,738</u>	<u>86,080,592</u>	<u>95,834,312</u>	<u>96,326,049</u>

**Calculation for Fiscal Year 2006:**

Assessed value	\$ 963,260,491
Debt limit--10% of assessed value	\$ 96,326,049

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, 2006

	General Obligation Debt	Percent Applicable To Maryland Heights	Amount Applicable To Maryland Heights
City of Maryland Heights <sup>2</sup>	\$ -	100.0 %	\$ -
St. Louis County	88,615,000	4.6	4,048,215
Monarch Fire Protection District <sup>1</sup>	3,400,000	0.5	17,010
Metropolitan St. Louis Sewer District	-	9.5	-
Pattonville Fire Protection District <sup>1</sup>	900,000	26.5	238,759
Pattonville School District <sup>1</sup>	45,235,000	41.7	18,861,043
Parkway School District <sup>1</sup>	123,527,349	9.8	12,125,002
Maryland Heights Fire Protection District <sup>1</sup>	-	93.8	-
Creve Coeur Fire Protection District <sup>1</sup>	-	12.7	-
	\$ 261,677,349		\$ 35,290,029
Total			

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

<sup>2</sup>In 1997, a blended component unit of the City issued revenue bonds for the construction of recreation facilities and revenues bonds for the construction of a new government center in 2003. These revenue bonds do not represent obligation debt of the City and, therefore, are not included in this table.

Source: The above-named jurisdictions.

## CITY OF MARYLAND HEIGHTS, MISSOURI

### Pledged Revenue Coverage

#### Last Six Fiscal Years

	For The Years Ended December 31					
	2001	2002	2003	2004	2005	2006
Tax Increment Financing Sales Tax	\$ 109,680	98,742	109,737	131,119	104,155	94,351
Tax Increment Financing Property Tax	195,430	378,993	426,233	668,217	1,001,078	1,233,048
 Total Available Revenue	\$ 305,110	477,735	535,970	799,336	1,105,233	1,327,399
 Debt Service (Interest due including increases to the notes)	\$ 168,750	914,748	1,075,721	1,374,119	1,531,819	1,629,164
 Ratio	1.81	0.52	0.50	0.58	0.72	0.81
 Tax Increment Financing (TIF) Notes Issued:						
Series 2001A	\$ -	1,757,450	68,952	81,326	48,706	36,643
Series 2001B	8,428,750	553,652	4,012,853	720,108	618,244	576,535
Total TIF Notes Issued During The Year	8,428,750	2,311,102	4,081,805	801,434	666,950	613,178
TIF Notes Outstanding At January 1	-	8,428,750	10,739,852	14,821,657	15,623,091	16,290,041
 TIF Notes Outstanding At December 31	\$ 8,428,750	10,739,852	14,821,657	15,623,091	16,290,041	16,903,219

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.

No debt related to pledged revenues existed prior to 2001.

# 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>	
1997	25,440	\$ 452,450	\$ 17,785	-	21,485	1.90 %
1998	25,440	452,450	17,785	-	21,228	1.80
1999	25,440	452,450	17,785	-	20,787	1.50
2000	25,756	641,788	24,918	-	20,547	1.90
2001	25,756	641,788	24,918	-	20,226	2.60
2002	25,756	641,788	24,918	-	19,869	3.20
2003	25,756	641,788	24,918	-	19,668	3.60
2004	27,345	681,383	24,918	-	19,323	3.80
2005	27,345	681,383	24,918	-	18,732	3.50
2006	27,345	681,383	24,918	5,782	18,557	3.10

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



# CITY OF MARYLAND HEIGHTS, MISSOURI

## Principal Employers

### Current Year and Nine Years Ago

<u>Employer</u>	<u>2006</u>			<u>1997</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>
Express Scripts, Inc.	2,005	1	3.65 %	785	6	1.89 %
Harrah's Casino	1,891	2	3.44	3,600	1	8.67
Edward Jones	1,649	3	3.00	1,200	2	2.89
TALX	998	4	1.81	-	-	-
United Health Care of the Midwest	900	5	1.64	-	-	-
Schnucks Markets	743	6	1.35	654	7	1.58
Quest Diagnostics Clinical Laboratories	521	7	0.95	-	-	-
Watlow Saint Louis	465	8	0.85	540	8	1.30
Elsevier	350	9	0.64	-	-	-
St. Louis Post Dispatch	312	10	0.57	-	-	-
Coca-Cola Bottling Company of St. Louis	-	11	-	1,087	3	2.62
Master Card International	-	12	-	853	4	2.06
Merit Behavioral Care Corporation	-	13	-	850	5	2.05
Worldwide Underwriters Insurance Corp.	-	14	-	535	9	1.29
Electronic Data Systems Corp.	-	15	-	514	10	1.24
Total	<u>9,834</u>		<u>17.90 %</u>	<u>10,618</u>		<u>25.59 %</u>

Source: Community Development Department

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Full-time Equivalent City Government Employees by Function/Program <sup>1</sup>

### Last Ten Fiscal Years

Function/Program	For The Years Ended December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General government:										
Administration	9.75	9.85	10.25	11.25	11.25	10.39	11.04	11.29	11.39	10.89
Finance	7.00	8.00	10.25	11.00	11.00	11.25	11.25	11.25	10.50	10.00
Community development	9.50	11.00	13.50	14.25	14.25	15.25	16.25	16.00	16.25	16.75
Municipal court	2.20	2.45	2.80	2.80	2.90	3.30	4.15	4.15	4.25	4.25
Human services	-	-	-	-	-	1.95	2.35	2.25	2.40	2.40
Police:										
Officers	74.00	75.00	74.00	78.00	78.00	78.00	78.00	77.00	78.00	78.00
Civilians	15.00	16.00	15.40	15.10	15.60	15.40	15.40	16.40	16.90	18.15
Public Works:										
Engineering and administration	5.25	6.25	6.25	6.25	5.25	5.25	4.25	4.25	4.25	4.25
Road and bridges	17.50	17.50	17.00	16.50	17.00	16.50	16.50	15.50	15.50	15.50
Stormwater	8.00	8.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Building and grounds <sup>3</sup>	2.25	2.25	2.25	2.25	-	-	-	-	-	-
Vehicle maintenance	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Parks maintenance <sup>2</sup>	3.00	-	-	-	-	-	-	-	-	-
Construction management	-	-	-	-	7.00	7.00	7.00	7.25	7.25	7.25
Parks and recreation:										
Administration	1.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Recreation services	9.70	18.55	13.85	12.85	13.90	13.35	12.10	11.60	11.60	11.60
Community centre	-	-	10.80	11.40	11.75	12.25	13.40	13.25	13.50	13.50
City hall maintenance <sup>3</sup>	-	-	-	-	2.25	2.25	2.25	2.25	2.25	2.25
Sportport	-	-	2.00	5.02	3.50	3.50	3.15	1.75	4.10	6.50
Aquaport	-	3.30	4.25	3.45	3.20	2.80	2.80	2.45	2.55	2.55
Parks maintenance <sup>2</sup>	-	3.00	6.50	7.50	7.50	7.00	7.00	7.50	7.50	7.50
Total	167.15	187.15	201.10	209.62	216.35	217.44	218.89	216.14	220.19	223.34

Source: Payroll Data from Finance Department.

<sup>1</sup> An FTE is based on a 2,080 work year.

<sup>2</sup> In 1998, parks maintenance was transferred from the public works department to the parks and recreation department.

<sup>3</sup> In 2001, the building and grounds program was transferred to the parks and recreation department and was renamed city hall maintenance.

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Capital Asset Statistics by Function/Program

### Last Ten Fiscal Years

Function/Program	For The Years Ended December 31									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
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	24	24	24	24	24	24	25	25	25	25
Public works:										
Streets (miles)	75	82	82	82	84	84	98	98	98	95
Streetlights	1,561	1,687	1,694	1,719	1,726	1,738	1,767	1,785	1,792	1,820
Parks and recreation:										
Recreational facilities	3	6	6	6	6	6	7	7	7	8
Acreage	20	99.5	99.5	99.5	99.5	99.5	103	103	103	107
Playgrounds	3	5	5	5	5	5	6	6	6	6
Square footage of Community Center	-	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Soccer fields	-	-	12	12	12	14	14	14	14	14

# CITY OF MARYLAND HEIGHTS, MISSOURI

## Operating Indicators by Function/Program

Last Eight Fiscal Years

Function/Program	For The Years Ended December 31							
	1999	2000	2001	2002	2003	2004	2005	2006
<b>Police</b>								
Adult arrests	3,224	3,336	3,492	3,696	4,039	3,968	4,560	4,754
Juvenile arrests	179	179	151	256	248	450	537	606
Hazardous citations	8,212	7,122	8,894	8,620	10,098	10,194	8,821	9,059
Non-hazardous citations	4,419	4,066	4,951	4,072	4,600	4,204	4,668	5,650
Emergency calls	1,126	1,143	1,205 †	601	661	688	642	572
Non-emergency calls	24,542	27,323	33,579	41,631	44,570	44,528	50,966	52,896
<b>Public Works</b>								
Street asphalt repairs tons	n/a	113.8	271.9	245.5	290.5	176	180	243
Street concrete repairs sq yds	n/a	1,112.7	5,601.6	2,734.5	2,809	1,103	45,667	34,763
Sidewalk replacement sq ft	27,192	8,425	8,814	28,954	16,446	25,571	19,721	29,409
Trees maintained	3,008	3,476	3,637	2,449	1,033	1,738	1,620	1,289
Stormwater inlet repairs	37	27	92	81	88	126	154	274
Sewer lateral repairs	0	0	46	55	31	38	43	56
<b>Parks and Recreation</b>								
Total programs offered	867	997	0	820	919	839	573	668
Total program registrations	15,813	19,679	14,471	12,624	18,133	19,133	18,086 ‡	7,739
Room set-ups (community ctr)	n/a	740	1,040	1,918	1,998	2,085	2,192	2,285
Room rentals (community ctr)	1,115	993	1,120	1,964	1,998	2,085	2,192	2,285
Rental attendance (community ctr)	40,331	53,491	61,259	70,726	59,920	64,560	69,555	85,701
<b>Community Development</b>								
Zoning permits	n/a	n/a	165	121	132	30	36	30
Business licenses	1,700	1,900	1,950	2,000	1,932	1,903	1,824	1,860
Building permits	614	614	674	729	680	600	780	737
Building inspections	n/a	n/a	2,292	2,725	2,494	2,579	2,410	2,750
Code inspections	n/a	n/a	n/a	n/a	1,244	2,583	2,740	1,834
Notice of Code Violation Sent	n/a	n/a	n/a	738	577	764	1,005	600
<b>Finance and Administration</b>								
Bid solicitations	30	34	27	33	26	21	21	31
Press releases issued	n/a	n/a	14	38	47	49	36	47
Public inquiry responses - Email	n/a	n/a	76	450	285	486	579	528

Data for years prior to 1999 are unavailable. n/a = data not available.

† Beginning in 2002 the police department changed the definition of calls that resulted in fewer calls being classified as emergency than in prior years.

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

This change effectively reduced the reported number of individual registrations by half by eliminating redundant counts.