

Comprehensive Annual Financial Report

For Fiscal Year Ended
March 31, 2019



Rock Hill Municipal Government Complex

Drone Photography Courtesy of Paric Corporation

City of Rock Hill, Missouri

CITY OF ROCK HILL, MISSOURI

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



Prepared by:
Jennifer Yackley, City Administrator
and
Sandra Stephens, Treasurer

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CITY OF ROCK HILL, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT

	Page
INTRODUCTORY SECTION	
Principal City Officials	i
Organization Chart	ii
Certificate of Achievement	iii
Letter of Transmittal	iv
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Fiduciary Net Position – Fiduciary Funds	24
Statement of Changes in Fiduciary Net Position – Pension Trust Fund	24
Notes to Financial Statements	26
Required Supplemental Information:	
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
General Fund	56
Park Fund	59
Sewer Lateral Fund	60
SW TIF Fund	61
Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	62
Schedule of Changes in Net Pension Liability and Related Ratios, Missouri Local Government Employees Retirement System (LAGERS)	63
Schedule of Contributions, Missouri Local Government Employees Retirement System (LAGERS)	64
Schedule of Changes in Net Pension Liability and Related Ratios, Uniformed Employees' Pension Plan	65
Schedule of Contributions, Uniformed Employees' Pension Plan	66

**CITY OF ROCK HILL, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

	Page
FINANCIAL SECTION (Continued)	
Other Supplemental Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	67
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	68
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Police Training Fund	69
NW TIF Fund	70
Debt Service Fund	71
General Capital Projects Fund	72
Infrastructure Capital Projects Fund	73
Statement of Changes in Assets and Liabilities – Agency Fund	74
 STATISTICAL SECTION	
 Financial Trends Information:	
Net Position by Component, Last Ten Fiscal Years	75
Changes in Net Position, Last Ten Fiscal Years	76
Program Revenues by Functions/Programs, Last Ten Fiscal Years	78
Fund Balances - Governmental Funds, Last Ten Fiscal Years	79
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	80
Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years	81
 Revenue Capacity Information:	
Assessed and Estimated Value of Taxable Property, Last Ten Fiscal Years	82
Property Tax Rates – Direct and All Overlapping Governments, Last Ten Fiscal Years	83
Principal Tax Payers, Current Calendar Year and Nine Years Ago	84
Property Tax Levies and Collections, Last Ten Fiscal Years	85
Sales Tax Revenues, Governmental Funds, Last Ten Fiscal Years	86
 Debt Capacity Information:	
Ratios of Outstanding Debt by Type, Last Ten Years	87
Ratios of General Bonded Debt Outstanding, Last Ten Fiscal Years	88
Legal Debt Margin Information, Last Ten Fiscal Years	89
Direct and Overlapping Governmental Activities Debt as of March 31, 2019	90
Pledged Revenue Coverage, Last Ten Fiscal Years	91

**CITY OF ROCK HILL, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

	Page
STATISTICAL SECTION (Continued)	
Demographic and Economic Information:	
Demographic and Economic Statistics, Last Ten Fiscal Years	92
Principal Employers, Current Year and Nine Years Ago	93
Operating Information:	
Full-time Equivalent City Government Employees by Functions/Programs, Last Ten Fiscal Years	94
Operating Indicators by Functions/Programs, Last Ten Fiscal Years	95
Capital Assets Statistics by Functions/Programs, Last Ten Fiscal Years	96

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**City of
Rock Hill**

Introductory Section

CITY OF ROCK HILL, MISSOURI
PRINCIPAL CITY OFFICIALS

Elected Officials (As of Report Date)

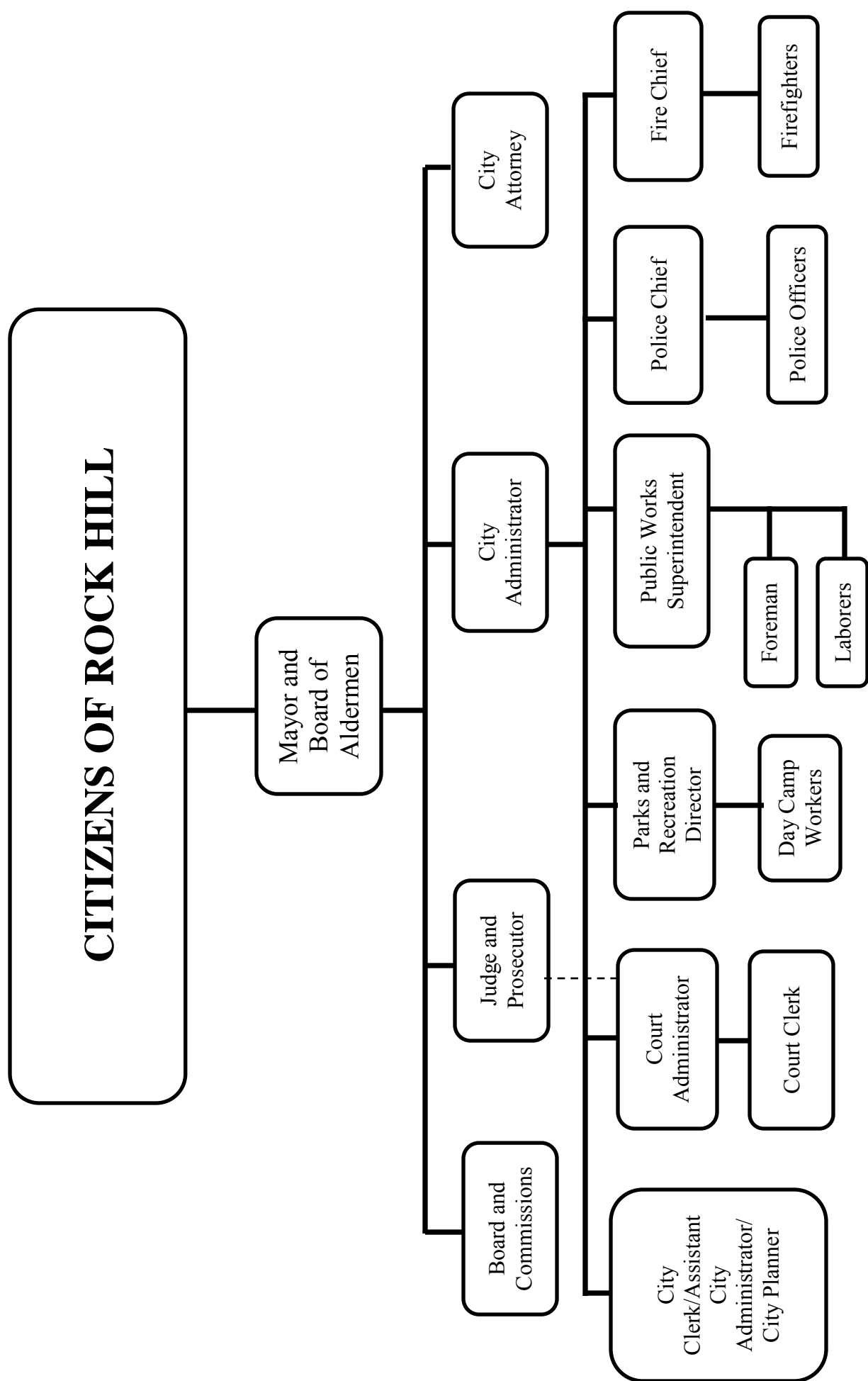
<u>Position</u>	<u>Name</u>	<u>Term</u>
Mayor	Edward Mahan	4/18 – 4/22
Alderman Ward 1	Jacquelyn Rappold*	4/18 – 4/20
Alderman Ward 1	Edward Johnson	4/19 – 4/21
Alderman Ward 2	James Killion, IV	4/18 – 4/20
Alderwoman Ward 2	Sabrina Westfall	4/19 – 4/21
Alderman Ward 3	Robert Weider	4/18 – 4/20
Alderwoman Ward 3	Mary Wofford	4/19 – 4/21

*Filling the unexpired term for Phillip Sherry

Appointed Officials and Department Heads

<u>Position</u>	<u>Name</u>
City Administrator	Jennifer Yackley
Treasurer	Sandra Stephens
City Clerk/Court Administrator	Amy Perrin
City Attorney	Paul Martin
City Prosecutor	Stephen Jianakoplos
Judge	Mark Levitt
Police Chief	Donald Wickenhauser
Fire Chief	Kevin Halloran
Park and Recreation Director	Al Hayden
Public Works Superintendent	Ron Meyer

**CITY OF ROCK HILL, MISSOURI
ORGANIZATION CHART**





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Rock Hill
Missouri**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

March 31, 2018

Christopher P. Morrell

Executive Director/CEO

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CITY OF ROCK HILL

827 N. Rock Hill Road • Rock Hill, MO 63119 • (314) 968-1410 • Fax (314) 968-4843

DATE: August 7, 2019

The Honorable Mayor Edward Mahan,
Members of the Board of Aldermen, and the
Citizens of the City of Rock Hill, Missouri

We hereby present this Comprehensive Annual Financial Report (CAFR) for fiscal year ended March 31, 2019, for the City of Rock Hill, Missouri (the City) for your review. This report was prepared using 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.

This report is the City's management representations concerning the finances of the City and, therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report. The City's Administration Department prepared this report and believes that the financial statements, supporting schedules, and statistical information fairly present the financial position of the City. We further believe that all presented data is accurate in all aspects and that all necessary disclosures have been included to enable the reader to gain a reasonable understanding of the City's financial affairs. 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 conformity 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 control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits require estimates and judgments by management.

The City's financial statements have been audited by Fick, Eggemeyer & Williamson Certified Public Accountants PC a firm of licensed, certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended March 31, 2019, are free of material misstatement. Based on their audit, they concluded that there was a reasonable basis for rendering an unmodified opinion of the financial statements for the year ended March 31, 2019. They also concluded that the financial statements 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 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

Profile of the City

The City is located in St. Louis County and is approximately three miles west of the City of St. Louis, Missouri. The City covers approximately 1.1 square mile and serves 4,635 residents.

The City was incorporated in 1929 as a fourth class city under Missouri statute. The City operates under a mayor-board-administrator form of government. The Board of Aldermen is comprised of six aldermen and a mayor. Two aldermen are elected from each of the City's three wards and serve two-year terms. The mayor, elected at large to serve a four-year term, is the presiding officer of the Board of Aldermen. The Mayor may vote in the event of a tie vote by the Board of Aldermen. In addition, one alderman is elected as Board President to act in the Mayor's behalf during his absence. The Board of Aldermen is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and appointing the City Administrator and the City Clerk. The City Administrator is responsible for carrying out the policies and ordinances of the Board and for overseeing the day-to-day operations of the City.

The City has approximately 35 full-time and 7 seasonal employees and provides a range of municipal services including general administration, police protection, fire protection, municipal court, planning and zoning, public works, and parks and recreation.

The annual budget serves as the foundation for the City's financial planning and control. All of the departments of the City are required to submit requests for funds to the City Administrator who uses these requests as the basis for a proposed budget. The City Treasurer develops estimates of revenues for the upcoming fiscal year which are also incorporated into the proposed budget. The City Administrator, along with department heads, presents the proposed budget to the Mayor and Board of Aldermen who hold work sessions in addition to board meetings and adopt a budget by April 1. The budget is prepared by fund, department (e.g., police), and line item (e.g., office supplies). The City Administrator has authority to transfer funds between line items within individual departments. Transfers of funds between departments require the approval of the Board of Aldermen. Budget-to-actual comparisons are provided in this report for each individual fund for which an annual budget was adopted. For the General Fund, this comparison is presented as part of the financial statements for the governmental funds.

Factors Affecting Financial Condition

The information presented in this report is best understood within a broader economic context.

Local Economy. The City is a suburban community located in St. Louis County with easy access to Interstate 64. The City has a mix of commercial, industrial, and residential property.

The City has a variety of housing within its borders. The majority of the housing was constructed post-World War II. In the last few years the city has seen an uptick in new home construction. The city saw the construction of 16 new houses between April 1, 2018 and March 31, 2019. Many of the new houses are replacing older, neglected houses in the city.

The City has a commercial corridor along Manchester Road that stretches most of the length of the City. Several new businesses opened last year including: Lavish Nails, Fit & Finished Alterations, and We Wax That! Spa. The existing McDonald's restaurant has received all necessary approvals from the city for its corporate remodel. The city also approved a new 2

story, 10,000 square foot office building on McKnight Road. The city anticipates Hangar Kitchen & Bar and Briteworx Car Washery to open in the current fiscal year.

Additionally, there are two industrial areas north and south of Manchester at Rock Hill Industrial Court. The two largest companies in the industrial area are Millman Lumber and Woodard Cleaning and Restoration. Both companies have been in the city for many years and are economically stable. The city anticipates a new addition to the industrial court in the coming year, New Growth Horizons, a medical marijuana cultivation, manufacturing, and dispensing facility. City and State approvals are pending for New Growth Horizons. Both approvals will be completed by the end of 2019.

Long-term Financial Planning and Major Initiatives. In past two fiscal years the City has made strategically planned uses of the General Fund unassigned fund balance. In fiscal year 2019 the City used \$592,145 in fund balance. The ending unassigned fund balance is \$1,108,030 which is 34% of Fiscal Year 2019 budgeted expenditures. The policy goal is to maintain a General Fund balance of 30% of operating expenditures so that City services are not adversely impacted by fluctuating economic conditions. The City receives its primary revenue from sales, property and utility taxes at 47%, 25% and 13% of revenues, respectively.

The Board of Aldermen has approved two Tax Increment Financing (TIF) projects in the last fifteen years designed to improve sales tax revenues for the City. The first TIF is the McKnight Crossing development and was completed in 1999 with 40,000 square feet of retail and commercial space. December 1, 2012, the McKnight Crossing TIF revenue bonds were retired in full and the TIF district was terminated. The second TIF includes 46 acres split north and south of Manchester Road west of the McKnight intersection. The project is being done in two phases. Phase one (SW TIF), Market at McKnight, has 127,300 square feet of retail space and was substantially completed in 2008. The Market at McKnight continues to be fully leased and is a popular destination for shoppers in the area. Phase two (NW TIF), was completed in 2012 and is occupied by a CVS Pharmacy.

One of the City's major initiatives continues to be street repair work. The city created a 10-Year Infrastructure Plan to guide street repair decisions. The plan is designed to allow one major street project per year on a rotating cycle through the city's three wards. During the 18/19 fiscal year, the major project occurred on Martha Lane in Ward 3. The work was done by the city's public works department. The city also partnered with the city of Ladue to microsurface Des Peres Ave on the western border of the city. Additionally, the city initiated design work on Kortwright Ave, Tavalon Ave, and N. Rock Hill Road in anticipation of future road construction. The current budget calls for \$600,000 worth of street work.

The city moved into its new municipal complex in August 2018. This move completed the ReImagine Rock Hill campaign started in 2016 and houses a new city hall, fire station, and police station. The complex is a source of pride for the community and fulfills a long term goal of the community since the previous municipal complex was sold in 2005.

Financial Policies. The City contracts with the City of Kirkwood for all of the duties associated with the City's Finance Department. This arrangement gives the City access to a larger Finance Department Staff while still maintaining the level of professionalism and financial knowledge. The partnership has resulted in a reorganized budget, streamlined processing for court bonds and a review of financial policies.

Awards

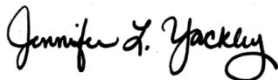
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended March 31, 2018. This was the tenth year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

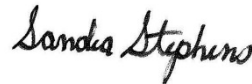
Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the City Treasurer. We would like to express our appreciation to all members of the various City departments who assisted in the preparation of this report. We would also like to thank our auditors, Fick, Eggemeyer & Williamson Certified Public Accountants PC, for their help in preparing this report. Credit also must be given to the Mayor and the Board of Aldermen for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Jennifer Yackley
City Administrator



Sandra Stephens
City Treasurer

**City of
Rock Hill**

Financial Section



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Alderman
City of Rock Hill, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rock Hill, Missouri, as of and for the year ended March 31, 2019, and the related notes to the financial statements, which collectively comprise the City of Rock Hill, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Rock Hill, Missouri, as of March 31, 2019, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Rock Hill, Missouri's basic financial statements. The introductory section, other supplemental information and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2019, on our consideration of the City of Rock Hill, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Rock Hill, Missouri's internal control over financial reporting and compliance.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPA
Saint Louis, Missouri
August 7, 2019

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

As management of the City of Rock Hill, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2019. We encourage readers to consider the information presented here along with the City's financial statements, including footnotes that follow this Management Discussion and Analysis (MD&A).

FINANCIAL HIGHLIGHTS

- On a government-wide basis, the City's liabilities and deferred inflows exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$10,351,692 (*net position*). The City has an unrestricted deficit of net position totaling \$23,790,043. (see Table 1)

Table 1 Unrestricted Deficit Net Position Summary	
TIF bonds and notes net of unamortized bond discount and deferred amount on refunding	\$ (21,809,489)
Interest payable on the TIF bonds and notes	(2,674,480)
Net pension liability net of deferred outflows and inflows related to pension	(476,981)
Positive change in net position from operations	1,170,907
Unrestricted deficit net position	\$ (23,790,043)

- The total cost of City programs decreased by \$32,448, or 0.5%, and net program costs (program revenues less program expenses) were \$365,183 more than they were in fiscal year 2018. (see Table 4)
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,010,276, which was a decrease of \$2,846,166 in comparison with the prior year. This decrease is primarily attributed to the construction of government facilities complex. Approximately 22% of the total amount is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,108,030, which was approximately 34% of total General Fund expenditures.
- The City's total long-term liabilities, net of premium and discount decreased \$1,577,104 during the current fiscal year. Table 2 below summarizes the items contributing to this decrease.

Table 2 Long-term Liabilities Decrease	
Debt repayment	\$ (1,505,000)
Amortization – premiums	(75,171)
Amortization – discount	8,938
Change in compensated absences	(5,871)
Total decrease in long-term liabilities	\$ (1,577,104)

CITY OF ROCK HILL, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2019

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of four parts: 1) management's discussion and analysis (*this section*), 2) the basic financial statements, 3) required supplemental information, and an optional section 4) other supplemental information. Figure A, on the next page, shows how the parts of this annual report are arranged and relate to one another. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City's government and report operations in more detail than the government-wide statements. These statements present a short-term perspective of how services were financed as well as what remains for future spending.

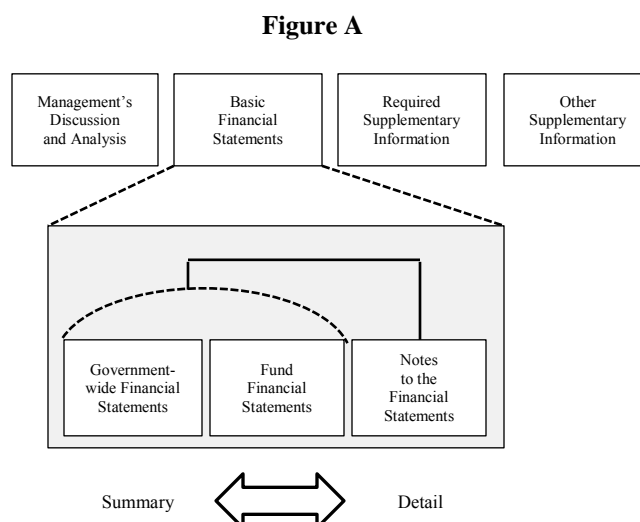


Figure B summarizes the major features of the City's government-wide and fund financial statements, including the portion of the City government they cover and the types of information each contains. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure B Major Features of the City's Government-wide and Fund Financial Statements		
	<u>Government-wide Statements</u>	<u>Governmental Funds</u>
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not fiduciary, such as administration, police, fire, public works, capital improvements, and parks
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets are included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

Government-wide financial statements. The government-wide financial statements include the statement of net position and the statement of activities. These statements are designed to provide a broad overview of the City's finances, in a manner similar to a private-sector business. Note that the government-wide financial statements exclude fiduciary fund activities.

The *statement of net position* (on page 18) presents information about all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources using the accrual method of accounting, with the difference between the two being reported as net position. Net position is one way to measure the City's financial health or financial position. Over time increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. However, you will also need to consider other nonfinancial factors such as changes in the City's sales tax base, the amount of snowfall during the winter season, changes in service levels, and the condition of municipal roads and facilities to assess the overall health of the City.

The *statement of activities* (on page 19) accounts for all of the fiscal year's revenues and expenses for the City. It presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. As a result, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years such as uncollected taxes and interest and earned but unused 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 cover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general administration, police services, fire services, public works, parks and recreation, housing, and judicial. The City does not operate any business-type activities.

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 the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the 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.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

The City maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the following major funds: General Fund, Park Fund, SW TIF Fund, General Capital Projects Fund, Infrastructure Capital Projects Fund, and Debt Service Fund. Data from the other governmental funds are combined into a single, aggregated presentation called "other 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 of this report.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental funds financial statements can be found on pages 20 through 23 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds (which the City has none). The statement of fiduciary net position and statement of changes in fiduciary net position - Pension Trust Fund can be found on pages 24 and 25 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 26 through 55 of this report.

Required supplemental information. In addition to the basic financial statements and accompanying notes, certain required supplemental information can be found on pages 56 through 65 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 can be found on pages 66 through 74 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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

Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, combined net position (deficiency) increased to (\$10,351,692) from a deficit of (\$11,092,389), or 6.7% in the most recent fiscal year (see Table 3 on the next page).

CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019

Table 3
Condensed Statement of Net Position

	March 31,		2019 Change	
	2019	2018 Restated	Amount	Percent
ASSETS				
Current and other assets	\$ 5,427,901	\$ 9,248,421	\$ (3,820,520)	(41.3) %
Capital assets, net	19,192,157	16,708,864	2,483,293	14.8
Total Assets	24,620,058	25,957,285	(1,337,227)	(5.2)
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	137,065	156,771	(19,706)	(12.6)
Deferred - related to pension	583,540	483,548	99,992	20.7
Total Deferred Outflows of Resources	720,605	640,319	80,286	12.5
LIABILITIES				
Current liabilities	2,925,055	3,198,762	(273,707)	(8.6)
Long-term liabilities	32,403,278	34,184,942	(1,781,664)	(5.2)
Total Liabilities	35,328,333	37,383,704	(2,055,371)	(5.5)
DEFERRED INFLOWS OF RESOURCES				
Deferred - related to pension	364,022	306,289	57,733	18.8
NET POSITION				
Net investment in capital assets	9,592,045	9,863,313	(271,268)	(2.7)
Restricted	3,846,306	3,137,834	708,472	22.6
Unrestricted (deficit)	(23,790,043)	(24,093,536)	303,493	1.2
Total Net Position	\$ (10,351,692)	\$ (11,092,389)	\$ 740,697	6.7 %

A portion of the City's net position, \$9,592,045 in 2019, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, 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.

An additional portion of the City's net position, \$3,846,306 in 2019, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations or other governments, or restrictions imposed by law through constitutional provisions or legislation.

The remaining category of the City's net position represents a deficit unrestricted net position balance of \$23,790,043 in 2019. This deficit is comprised of \$1,170,907 in unrestricted net position from operations offset by an unrestricted net position deficit resulting from the balance of \$21,809,489 in TIF bonds and notes outstanding and interest payable on these bonds notes of \$2,674,480 at year-end for infrastructure assets not owned by the City. The TIF notes are limited obligations of the City and are funded only by incremental revenues generated within the TIF district. The remaining unrestricted net position deficit of \$476,981 is for net pension liability net of deferred outflows and inflows related to pension.

CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019

Change in Net Position

Change in net position between 2019 and 2018 are shown in Table 4 below. The City's total revenues were \$6,759,162. Approximately 31% of those revenues came from sales taxes, 17% of the revenues from property tax, and 9% came from fees charged for services rendered. Most of the other remaining revenues came from utility taxes and other revenues. Change in net position increased the City's net position by \$740,697.

Table 4				
Condensed Statement of Activities				
	For The Years Ended March 31,		2019 Change	
	2019	2018 Restated	Amount	Percent
PROGRAM REVENUES				
Charges for services	\$ 440,912	\$ 621,583	\$ (180,671)	(29.1) %
Operating grants and contributions	345,177	356,030	(10,853)	(3.0)
Capital grants and contributions	106,094	312,201	(206,107)	(66.0)
Total Program Revenues	<u>892,183</u>	<u>1,289,814</u>	<u>(397,631)</u>	(30.8)
EXPENSES				
Administration	1,093,594	1,051,998	41,596	4.0
Fire department	995,953	980,303	15,650	1.6
Housing department	20,404	16,515	3,889	23.5
Municipal court	147,198	148,024	(826)	(0.6)
Parks and recreation	254,751	244,347	10,404	4.3
Police department	903,262	945,627	(42,365)	(4.5)
Public works	873,805	863,473	10,332	1.2
Interest on long-term debt	1,729,498	1,800,626	(71,128)	(4.0)
Total Expenses	<u>6,018,465</u>	<u>6,050,913</u>	<u>(32,448)</u>	(0.5)
Net Program Cost	<u>(5,126,282)</u>	<u>(4,761,099)</u>	<u>365,183</u>	7.7
GENERAL REVENUES				
Property tax	1,170,341	1,049,007	121,334	11.6
Sales taxes	2,068,114	2,023,605	44,509	2.2
Utility gross receipts	775,326	761,382	13,944	1.8
Other taxes	1,775,951	1,757,321	18,630	1.1
Investment income	47,036	33,942	13,094	38.6
Other	30,211	49,883	(19,672)	(39.4)
Total General Revenues	<u>5,866,979</u>	<u>5,675,140</u>	<u>191,839</u>	3.4
CHANGE IN NET POSITION	740,697	914,041	(173,344)	(19.0)
NET POSITION, APRIL 1	<u>(11,092,389)</u>	<u>(12,006,430)</u>	<u>914,041</u>	7.6
NET POSITION, MARCH 31	<u>\$ (10,351,692)</u>	<u>\$ (11,092,389)</u>	<u>\$ 740,697</u>	6.7 %

The different types of normal impacts that can affect revenues include the following:

- 1) *Economic conditions* can reflect a growing, stable, or declining environment and have a substantial impact on property taxes, assessments, retail sales, gasoline, and other tax revenues as well as consumer spending habits as it relates to building permits, user fees, and other consumption revenues.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

- 2) The Board of Aldermen has significant authority to set *increases or decreases in City rates* (property taxes, permitting, etc.).
- 3) *Changing patterns in intergovernmental and grant revenues* (both recurring and nonrecurring) can significantly change and impact revenues and the annual comparisons.
- 4) *Market impacts on investment income* may cause investment revenues to fluctuate from the prior year.

Total City expenses for 2019 were 6,018,465, or 740,697 less than the total revenues generated. Expenses decreased 32,448 or (0.5) % compared to 2018.

Key elements (see Table 4) of the increase or decrease in net position are as follows:

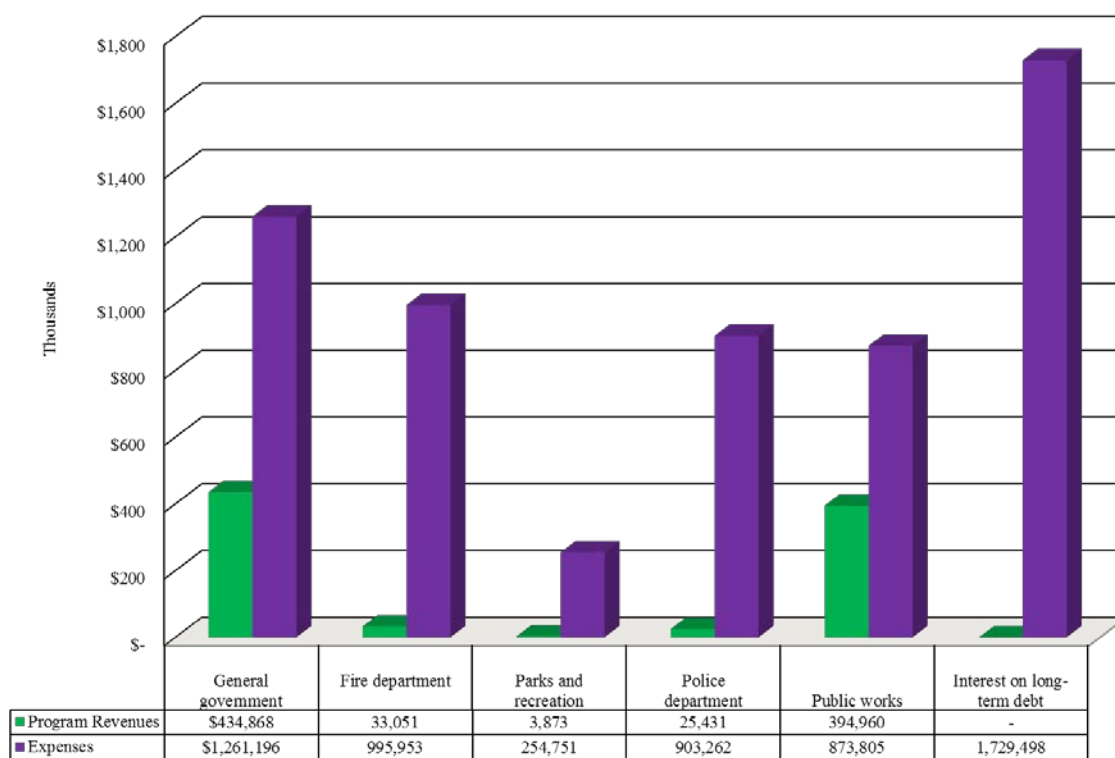
- Charges for services decreased \$180,671 or 29.1% compared to fiscal year 2018. Municipal court revenue was the largest contributing factor for this decrease. In fiscal year 2019, 2,665 cases were filed compared to 4,299 in fiscal year 2018 which is a decrease of 1,634 or 38%.
- Property tax increased in 2019 by \$121,334. This increase is primarily a timing difference in receiving protested property tax receipts.
- Sales taxes, the City's largest revenue source, increased in 2019 by \$44,509. The actual results are misleading because in 2018, the City began receiving the County Public Safety Sales Tax totaling \$117,901 compared to \$252,999 in 2019 for the entire fiscal year. Sales taxes without the county public safety sales tax timing difference from start-up was actually a decreased of \$90,589 or 4.5% compared to 2018.
- Fire service costs increased \$15,650 or 1.6% primarily due to fire department staff out on workers comp and minimum staffing requirements had to be filled.
- Police service costs decreased \$42,365 or 4.5% primarily due to an increase in personnel services of \$50,855 off-set by decreases in the changes of pension liability and deferred outflows and inflows related to pension.
- Administration service costs for 2019 increased \$41,596 or 4%. The primary contributor is the changes of pension liability and deferred outflows and inflows related to pension.
- Interest on long-term debt decreased \$71,128 or 4.0% compared to fiscal year 2018. In fiscal year 2018, the City refunded general obligations bonds and expensed issuance costs of \$79,229 as a result.

Governmental Activities

Figure C-1 presents a comparison of the cost and revenues generated by each of the City's programs. Overall, program revenues were 15% of program expenses. This resulted in a net cost (total cost of programs less fees generated by the activities and intergovernmental aid) of \$5.1 million. The net cost demonstrates the financial burden that was placed on the City by each of these functions. The City paid for this \$5.1 million "public benefit" portion of the cost with property taxes, sales, other taxes, licenses and permits, and investment earnings.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

**Figure C-1
Program Revenues and Expenses - Governmental Activities**



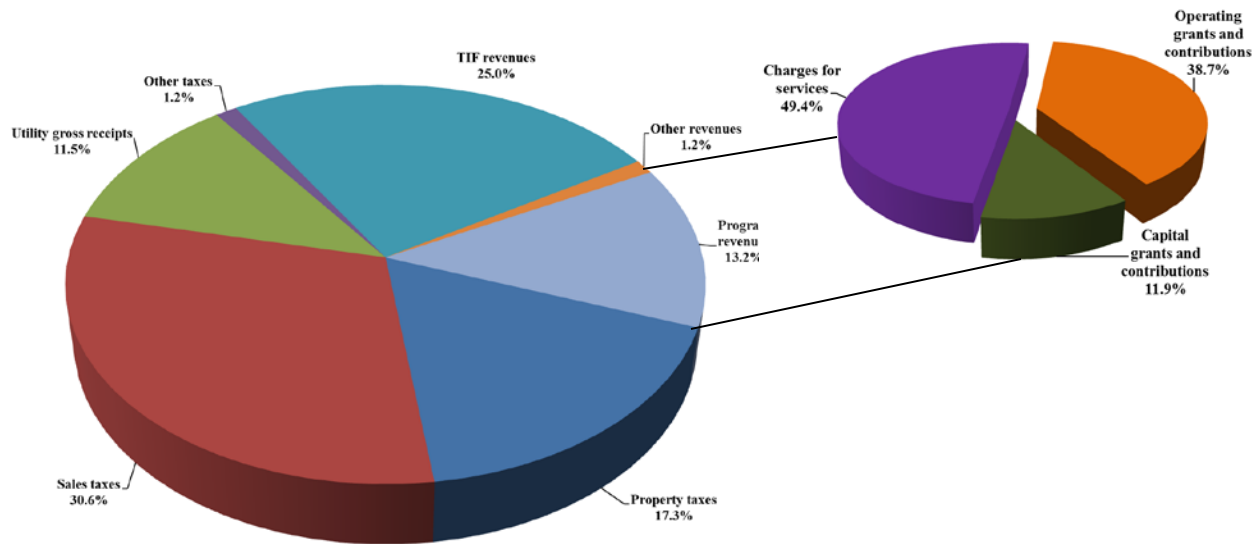
General revenues, which include such items as property taxes, sales taxes, utility taxes, and other revenue, were \$5.9 million or 87% of all City revenues (see Figure C-2). Program revenues accounted for the other 13%. Of that amount, charges for services, which include such items as business licenses, municipal court fines, and permits, accounted for 49% of program revenues.

Other key revenue items were as follows:

- Sales taxes were the City's largest revenue source, generating 31% of all revenues.
- Property tax accounted for 17% of all revenues with 12% allocated to debt service.
- Utility gross receipts accounts for 11% of all revenues. Utility taxes are charged on the utility services provided within the City.
- Other taxes accounts for 26% of all revenues but includes 25% TIF revenues.

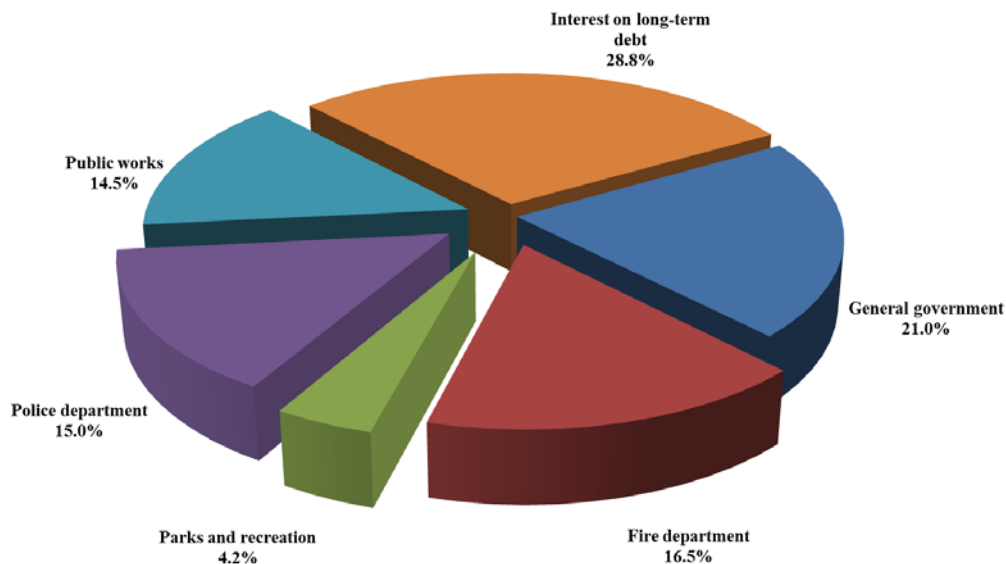
**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

**Figure C-2
Revenues by Source – Governmental Activities**



The City's expenses cover a wide range of services, with 32% of them related to police and fire services (see Figure C-3). Public works, which includes road maintenance and improvements and storm water enhancements, account for another 14% of program expenses. Interest on long-term debt accounts for 29% and other city services (general government and parks) make up the remaining 25%.

**Figure C-3
Program Expenses - Governmental Activities**



CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

At March 31, 2019, the City's governmental funds (presented in the balance sheet on page 20) reported a combined fund balance of \$5,010,276, which is a decrease of \$2,846,166 in comparison to the prior year (as presented in the statement of revenues, expenditures, and changes in fund balances on page 22).

Approximately 22% of the governmental funds combined fund balances or \$1,108,030 constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of the fund balances are restricted and nonspendable to indicate that it is not available for new spending because it is limited to capital projects (\$682,624), debt service (\$411,012), parks and stormwater (\$205,419), police training (\$2,590), sewer lateral (\$25,664), tax increment financing (TIF) (\$2,544,004), long-term interfund advances (\$5,000), and prepaid items (\$25,933).

Table 5 and Table 6 provide an overview of revenues by source and expenditures by function for all governmental funds.

Table 5 Revenues and Other Financing Sources(Uses) Governmental Funds					
Revenues by Source	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018		Increase (Decrease) Amount
	Amount	Percent Of Total	Amount	Percent Of Total	
Property taxes	\$1,685,055	25.47 %	\$1,813,467	25.51 %	\$ (128,412)
Gross receipts taxes	836,361	12.64	825,303	11.61	11,058
Sales tax	3,136,147	47.41	3,075,486	43.26	60,661
Licenses, permits, fines and fees	430,955	6.51	603,723	8.49	(172,768)
Intergovernmental	376,110	5.69	316,647	4.45	59,463
Park and recreation programs	3,873	0.06	6,760	0.10	(2,887)
Investment income	47,036	0.71	33,943	0.48	13,093
Miscellaneous income	99,826	1.51	433,664	6.10	(333,838)
Total Revenues	\$6,615,363	100.00 %	\$7,108,993	100.00 %	\$ (493,630)
Other Financing Sources(Uses)	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018		Increase (Decrease) Amount
	Amount		Amount		
Sale of capital assets	\$ 1,806		\$ 16,780		\$ (14,974)
General obligation bonds issued/refunding	-		3,079,974		(3,079,974)
Premium on bonds issued/refunding	-		201,930		(201,930)
Payment to refunded bond escrow agent	-		(3,202,675)		3,202,675
Total Other Financing Sources (Uses)	\$ 1,806		\$ 96,009		\$ (94,203)

CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019

Governmental funds expenditures decreased by \$1,975,828 compared to fiscal year 2018 (see Table 6). Capital outlay expenditures decreased by \$1,865,608 primarily due to the construction of the government facilities complex.

Table 6 Expenditures Governmental Funds					
Expenditures by Function	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018		Increase (Decrease) Amount
	Amount	Percent Of Total	Amount	Percent Of Total	
Administration	\$ 843,579	8.92 %	\$ 994,559	8.69 %	\$ (150,980)
Fire department	1,028,871	10.87	985,779	8.62	43,092
Housing department	20,404	0.22	16,515	0.14	3,889
Municipal court	146,989	1.55	146,007	1.27	982
Parks and recreation	218,014	2.30	220,922	1.93	(2,908)
Police department	1,052,906	11.13	1,013,137	8.85	39,769
Public works	396,450	4.19	429,934	3.77	(33,484)
Capital outlay	3,284,685	34.71	5,150,293	45.02	(1,865,608)
Debit service:					
Principal	1,505,000	15.90	1,370,000	11.98	135,000
Interest and fiscal agent fees	966,437	10.21	1,032,788	9.03	(66,351)
Bond issuance costs	-	0.00	79,229	0.70	(79,229)
Total Expenditures	\$ 9,463,335	100.00 %	\$11,439,163	100.00 %	\$(1,975,828)

General Fund – The General Fund is the chief operating fund of the City. At the end of fiscal year 2019, the unassigned fund balance of the general fund was \$1,108,030, which was 97% of its total fund balance of \$1,138,963. As a measure of the General Fund's liquidity, it is useful to compare both the unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance and total fund balance represent 34% and 35% of total General Fund expenditures, respectively.

In fiscal year 2019, the General Fund's net change in fund balance before other financing sources (uses) decreased by \$228,476 compared to the prior year. The decrease is the result of the Board of Aldermen's planned use of fund balance of \$258,000 for the completion of the municipal facilities, expenditure increase of \$106,818 or 3.4%, a decrease in revenues of \$121,658 or 0.4% compared to fiscal year 2018.

CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019

Table 7
General Fund – Schedule of Revenues, Expenditures, and Change in Fund Balance

	For the Years Ended March 31,		Increase (Decrease)
	2019	2018	
Revenues			
Property tax	\$ 277,444	\$ 304,662	\$ (27,218)
Gross receipts taxes	836,361	825,303	11,058
Sales taxes	1,320,599	1,242,834	77,765
Licenses, permits, fines and fees	430,955	603,723	(172,768)
Intergovernmental	22,730	22,705	25
Investment income	11,191	7,733	3,458
Miscellaneous	31,434	45,412	(13,978)
Total Revenues	2,930,714	3,052,372	(121,658)
Expenditures			
Administration	630,350	572,048	58,302
Fire department	1,028,871	985,779	43,092
Housing department	20,404	16,515	3,889
Municipal court	146,989	146,007	982
Police department	1,038,361	1,005,253	33,108
Public works	396,450	429,934	(33,484)
Capital outlay	3,434	2,505	929
Total Expenditures	3,264,859	3,158,041	106,818
Net Change in Fund Balance	\$ (334,145)	\$(105,669)	\$ (228,476)

Key factors that affected the General Fund during the year were as follows:

- In November 2018, the City began receiving the County Public Safety sales tax approved by St. Louis County voters in April 2018. The County Public Safety sales tax accounted for \$117,901 or 9% of the General Fund's total sales tax receipts. In fiscal year 2019, the City received the County Public Safety sales tax for the entire year and accounted for \$252,999 or 19% of the General Fund total sales taxes. The aggregate of all other sales taxes resulted in a decrease of \$90,589 or 4.5% compared to 2018.
- Municipal court fines amounted to \$196,073 or 45% of the licenses, permits, fines and fees revenue. This is a decline by \$176,032 or 47% from the previous years as a result of a decrease in cases filed of 38% compared to fiscal year 2018.
- General Fund expenditures included a contribution payment to the Uniformed Employees Pension Plan of \$150,000.

Park Fund – The fund balance of the Park Fund increased by \$12,119 during fiscal year 2019. Revenues decreased \$330,612 compared to prior year due to a grant received from the Municipal Park Grant Commission in fiscal year 2018. Expenditures decreased by \$297,559 over the prior year primarily due to the tennis court improvement at Oakhaven Park in fiscal year 2018.

SW TIF Fund – As of March 31, 2019, the fund balance was \$2,412,030, which was a decrease of \$3,153 from the prior year. The fluctuation in the SW TIF Fund is attributed to the timing of remitting pledged funds to the Trustee and payments of the principal and interest on the TIF bonds.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

General Capital Projects Fund – Changes in the General Capital Projects Fund's fund balance will fluctuate between surpluses and deficits from year-to-year reflecting the general nature and purpose of the fund; to finance capital projects. In 2019, the fund's fund balance decreased \$2,506,152 as a result of the municipal government facilities complex project.

Infrastructure Capital Projects Fund – At the end of 2019, the Infrastructure Capital Projects Fund's ending fund balance was \$493,269, an increase of \$225,517 from the prior year. Street and storm water improvement projects are all financed through this fund. As of March 31, 2019, street projects completed and capitalized total \$141,346. The City continues the focus on street improvements and maintains a ten-year street improvement long-term plan that is updated annually.

Fiduciary Funds

The City maintains an Agency Fund for monies received and held for municipal court appearance bonds.

The City also maintains a fiduciary fund for the assets of the uniformed personnel through the Uniformed Employee Pension Trust Fund. As of the end of the current fiscal year ending March 31, 2019, the net position of the Pension Trust Fund totaled \$2,042,542. This is a decrease of \$33,832 that is attributed to contributions made and the net depreciation in fair value of the investments exceeding the benefit payments made.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of March 31, 2019, the City had \$19,192,157 invested in a broad range of capital assets (net of accumulated depreciation) (see Table 8). This was an increase of \$2,483,293 from the previous year. The City's investment in capital assets included land, buildings, roads, park facilities, building and land improvements, furniture and fixtures, equipment, vehicles and information technology.

Major capital asset

- The City completed construction on governmental facilities complex that includes city hall and police and fire stations.
- Salt storage was constructed at the City's public works facility.
- Street improvements in the amount of \$141,346 were completed during the fiscal year.
- Metropolitan Sewer District donated 916 Des Pere to the City (0.15 acres). The property was recorded at fair market value of \$33,051, based on the sale of similar property in September 2018.

Table 8 Capital Assets, Net of Accumulated Depreciation				
Asset Class	March 31,		2019 Change	
	2019	2018	Amount	Percent
Land	\$ 315,690	\$ 282,639	\$ 33,051	11.7 %
Construction in progress	133,409	4,344,740	(4,211,331)	(96.9)
Buildings and improvements	7,498,610	549,298	6,949,312	1,265.1
Vehicles	195,723	269,042	(73,319)	(27.3)
Equipment	218,834	239,425	(20,591)	(8.6)
Infrastructure	10,829,891	11,023,720	(193,829)	(1.8)
Total Capital Assets, Net	\$ 19,192,157	\$ 16,708,864	\$ 2,483,293	14.9 %

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

Additional information on the City's capital assets can be found in Note D in the notes to financial statements.

Long-term Liabilities

As of March 31, 2019, the City's long-term debt net of discounts and premiums total \$31,706,779 a decrease of \$1,577,104 or 4.7% compared to the prior year. Tax increment financing (TIF) debt is \$21,809,489 or 68.9% of the total long-term debt outstanding. The TIF debt is considered a special limited obligation of the City and is for infrastructure assets not owned by the City. The following is a summary of long-term liabilities: (see Table 9)

Table 9 Long-term Liabilities, Net of Discounts and Premiums				
Asset Class	March 31,		2019 Change	
	2019	2018	Amount	Percent
General obligation bonds	\$ 9,737,177	\$ 10,297,348	\$ (560,171)	(5.4) %
Tax increment revenue bonds	13,471,788	14,482,850	(1,011,062)	(7.0)
Tax increment revenue notes	8,337,701	8,337,701	-	-
Compensated absence	160,113	165,984	(5,871)	(3.5)
Total Long-term Liabilities, Net	\$ 31,706,779	\$ 33,283,883	\$ (1,577,104)	(4.7) %

Additional information on the City's long-term liabilities can be found in Note H in the notes to financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

As of March 31, 2019, the City made amendments to the General Fund's original budget decreasing revenues by \$280,400 and increasing expenditures \$175,792. Revenues were \$38,346 less than the final budget of \$2,969,060 primarily due to decreases in sales taxes, telecommunication gross receipts, court fines offset by a new county public safety sales tax. Expenditures were \$99,118 below the final budget of \$3,363,977 due to various decreases in expenditures.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- General Fund expenditure budget for fiscal year 2020 decreased before transfers 2.8% compared to fiscal year 2019 final budget. The expenditure budget included a 3% increase in salaries for City employees.
- The Mayor and Board of Aldermen remain committed to long-term financial planning. Annually, in conjunction with the budget process the five-year operational plans and the ten-year capital plans are updated. The City expects to receive the following benefits from the long-term financial plan: 1) Maintain stable tax rates for residents; 2) Balance budgets that allow for the timely funding of the Uniformed Employees' Pension Fund; 3) Ensure City capital funds remain stable and able to provide funding for continued street improvements; 4) Financial flexibility; 5) Improved service planning for the residents; 6) Sustainable growth; and 7) Manage low or no revenue growth.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2019**

- The liability for the Uniformed Employee Pension Fund continues to be an on-going issue. The City contributions into the Plan have averaged 75% of the Actuarial Required Contribution (ARC) for the past six years. The funded ratio has increased from 49.8% in fiscal year 2012 to 63.43% in fiscal year 2019 as a result of investment returns and City contributions.
 - In 2016, Missouri House Bill 1443 was enacted to give local governments with frozen pension plans the option to choose The Missouri Local Government Employees Retirement System (LAGERS) as their plan administrator and trustee. This important legislation allows government units to take advantage of LAGERS' size and expertise to ensure these local plans will be sustainable until the last beneficiary is paid.
 - In May 2018 the Uniformed Employee Pension Plan board voted unanimously to recommend to the Board of Alderman that the administration and trustee service for the Uniformed Employees Pension Plan be transferred to LAGERS. This will provide the City with lower annual fixed contribution payments for a fifteen year period while providing the promised benefit payments to the plans participants.
 - In fiscal year 2019, the Board of Alderman decided to hold off on transferring the administration and trustee service for the Uniformed Employees Pension Plan to LAGERS due to the down turn in market performance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Rock Hill
827 N. Rock Hill Road
Rock Hill, MO 63119

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CITY OF ROCK HILL, MISSOURI
STATEMENT OF NET POSITION
MARCH 31, 2019

	Governmental Activities
ASSETS:	
Cash and investments.....	\$ 4,698,991
Receivables, net:	
Property tax.....	201,101
Municipal taxes.....	386,923
Intergovernmental.....	33,977
Other.....	80,110
Prepaid items.....	26,799
Capital assets:	
Land and construction in progress.....	449,099
Other capital assets, net of accumulated depreciation.....	18,743,058
TOTAL ASSETS	\$ 24,620,058
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding.....	137,065
Deferred amounts related to pension.....	583,540
TOTAL DEFERRED OUTFLOWS OF RESOURCES	720,605
LIABILITIES:	
Accounts payable.....	164,132
Accrued payroll.....	31,858
Accrued interest.....	2,699,770
Plan deposits.....	29,295
Noncurrent liabilities:	
Due within one year.....	1,396,068
Due in more than one year.....	30,310,711
Due in more than one year - net pension liability.....	696,499
TOTAL LIABILITIES	35,328,333
DEFERRED INFLOWS OF RESOURCES:	
Deferred amounts related to pension.....	364,022
TOTAL DEFERRED OUTFLOWS OF RESOURCES	364,022
NET POSITION:	
Net investment in capital assets.....	\$ 9,592,045
Restricted for:	
Capital projects.....	682,624
Debt services.....	386,005
Parks and stormwater.....	205,419
Police training.....	2,590
Sewer lateral.....	25,664
Tax increment financing.....	2,544,004
Unrestricted (deficit).....	(23,790,043)
TOTAL NET POSITION	\$ (10,351,692)

The notes to financial statements are an integral part of this statement.

CITY OF ROCK HILL, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2019

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) And Change In Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	
Governmental Activities			Capital Grants And Contributions	Governmental Activities
Administration.....	\$ 1,093,594	\$ 234,882	\$ -	\$ 4,410
Fire department.....	995,953	-	-	33,051
Housing department.....	20,404	-	-	-
Municipal court.....	147,198	195,576	-	-
Parks and recreation.....	254,751	3,873	-	-
Police department.....	903,262	6,581	-	18,850
Public works.....	873,805	-	345,177	49,783
Interest on long-term debt and fiscal charges.....	1,729,498	-	-	-
Total Governmental Activities.....	\$ 6,018,465	440,912	345,177	106,094
				\$ (854,302)
				(962,902)
				(20,404)
				48,378
				(250,878)
				(877,831)
				(478,845)
				(1,729,498)
				(5,126,282)

General Revenues

Taxes:

Property taxes levied for:

General purposes..... 306,477

Debt service..... 863,864

Sales tax levied for:

General purposes..... 863,118

Fire protection..... 204,482

Public safety..... 252,999

Capital improvement..... 336,854

Park and stormwater..... 410,661

Cigarette taxes..... 22,730

Franchise taxes..... 61,036

TIF revenues..... 1,692,185

Utility gross receipts..... 775,326

Investment income..... 47,036

Gain on sale of capital assets..... 1,806

Other revenues..... 28,405

Total General Revenues..... 5,866,979

CHANGE IN NET POSITION.....

740,697

NET POSITION, APRIL 1, restated.....

(11,092,389)

NET POSITION, MARCH 31.....

\$ (10,351,692)

The notes to financial statements are an integral part of this statement.

CITY OF ROCK HILL, MISSOURI
BALANCE SHEET-GOVERNMENTAL FUNDS
MARCH 31, 2019

	General Fund	Park Fund	Sewer Lateral	SW TIF Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:									
Cash and investments	\$ -	\$ -	\$ -	\$ 1,144,174	\$ -	\$ -	\$ -	\$ -	\$ 1,144,174
Held by trustee	-	-	-	1,098,469	-	-	-	-	1,098,469
Restricted	939,783	152,577	48,445	110,807	186,103	486,902	397,693	134,038	2,456,348
Unrestricted									
Receivables (net):									
Property tax	52,574	-	-	-	-	-	148,245	282	201,101
Municipal taxes	279,703	-	-	58,580	48,028	-	-	612	386,923
Intergovernmental	3,784	-	-	-	-	30,193	-	-	33,977
Other	10,591	53,794	859	-	-	14,866	-	-	80,110
Prepaid items	25,933	866	-	-	-	-	-	-	26,799
Advances to other funds	5,000	-	-	-	-	-	-	-	5,000
TOTAL ASSETS	1,317,368	207,237	49,304	2,412,030	234,131	531,961	545,938	134,932	5,432,901
LIABILITIES:									
Accounts payable	61,149	790	18,640	-	44,776	38,692	-	85	164,132
Accrued payroll	30,830	1,028	-	-	-	-	-	-	31,858
Plan deposits	29,295	-	-	-	-	-	-	-	29,295
Advances from other funds	-	-	5,000	-	-	-	-	-	5,000
Total Liabilities	121,274	1,818	23,640	-	44,776	38,692	-	85	230,285
DEFERRED INFLOWS OF RESOURCES:									
Unavailable revenue-property taxes	47,851	-	-	-	-	-	134,926	283	183,060
Unavailable revenue-court receipts	9,280	-	-	-	-	-	-	-	9,280
Total Deferred Inflows of Resources	57,131	-	-	-	-	-	134,926	283	192,340
FUND BALANCES:									
Nonspendable:									
Long-term interfund advances	5,000	-	-	-	-	-	-	-	5,000
Prepaid items	25,933	-	-	-	-	-	-	-	25,933
Restricted for:									
Capital projects	-	-	-	-	189,355	493,269	-	-	682,624
Debt service	-	-	-	-	-	-	411,012	-	411,012
Parks and stormwater	-	205,419	-	-	-	-	-	-	205,419
Police training	-	-	-	-	-	-	-	2,590	2,590
Sewer lateral	-	-	25,664	-	-	-	-	-	25,664
Tax increment financing	-	-	-	2,412,030	-	-	-	131,974	2,544,004
Unassigned	1,108,030	-	-	-	-	-	-	-	1,108,030
Total Fund Balances	1,138,963	205,419	25,664	2,412,030	189,355	493,269	411,012	134,564	5,010,276
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,317,368	\$ 207,237	\$ 49,304	\$ 2,412,030	\$ 234,131	\$ 531,961	\$ 545,938	\$ 134,932	\$ 5,432,901

The notes to financial statements are an integral part of this statement.

CITY OF ROCK HILL, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
MARCH 31, 2019

Total Fund Balances - Governmental Funds.....	\$	5,010,276
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$22,996,001 and the accumulated depreciation is \$3,803,844.....		19,192,157
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Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:

Net pension liability.....		(696,499)
Deferred outflows - pension related.....		583,540
Deferred inflows - pension related.....		(364,022)

Some revenues are not available soon enough to pay for current expenditures and are not reported as revenues in the governmental funds.....		192,340
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Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Accrued compensation absences.....		(160,113)
Accrued interest payable.....		(2,699,770)
Bonds payable.....		(9,044,974)
Tax increment financing bonds.....		(13,620,000)
Tax increment financing notes.....		(8,337,701)
Deferred amount on refunding.....		137,065
Unamortized bond premium.....		(692,203)
Unamortized bond discount.....		148,212

Total Net Position of Governmental Activities.....	\$	(10,351,692)
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CITY OF ROCK HILL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2019

	General Fund	Park Fund	Sewer Lateral Fund	SW TIF Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES									
Property tax.....	\$ 277,444	\$ -	\$ -	\$ 598,823	\$ -	\$ -	\$ 782,552	\$ 26,236	\$ 1,685,055
Gross receipts taxes.....	836,361	-	-	-	-	-	-	-	836,361
Sales tax.....	1,320,599	410,661	-	1,060,270	336,854	-	-	7,763	3,136,147
Licenses, permits, fines and fees.....	430,955	-	-	-	-	-	-	-	430,955
Intergovernmental.....	22,730	-	-	-	20,322	333,058	-	-	376,110
Park and recreation programs.....	-	3,873	-	-	-	-	-	-	3,873
Investment income.....	11,191	-	-	22,454	13,391	-	-	-	47,036
Miscellaneous.....	31,434	-	61,902	-	-	-	-	6,490	99,826
Total Revenues.....	2,930,714	414,534	61,902	1,681,547	370,567	333,058	782,552	40,489	6,615,363
EXPENDITURES									
Current:									
Administration.....	630,350	-	-	-	213,229	-	-	-	843,579
Fire department.....	1,028,871	-	-	-	-	-	-	-	1,028,871
Housing department.....	20,404	-	-	-	-	-	-	-	20,404
Municipal court.....	146,989	-	-	-	-	-	-	-	146,989
Parks and recreation.....	-	218,014	-	-	-	-	-	-	218,014
Police department.....	1,038,361	-	-	-	-	-	-	14,545	1,052,906
Public works.....	396,450	-	-	-	-	-	-	-	396,450
Capital outlay.....	3,434	9,401	66,295	-	2,923,014	282,541	-	-	3,284,685
Debt services:									
Principal.....	-	-	-	1,020,000	-	-	485,000	-	1,505,000
Interest and fiscal agent fees.....	-	-	-	664,700	-	-	301,737	-	966,437
Total Expenditures.....	3,264,859	227,415	66,295	1,684,700	3,136,243	282,541	786,737	14,545	9,463,335
REVENUES OVER(UNDER) EXPENDITURES.	(334,145)	187,119	(4,393)	(3,153)	(2,765,676)	50,517	(4,185)	25,944	(2,847,972)
OTHER FINANCING SOURCES (USES)									
Transfers in.....	-	-	-	-	258,000	175,000	282	-	433,282
Transfers out.....	(258,000)	(175,000)	-	-	(282)	-	-	-	(433,282)
Sale of capital assets.....	-	-	-	-	1,806	-	-	-	1,806
Total Other Financing Sources(Uses).....	(258,000)	(175,000)	-	-	259,524	175,000	282	-	1,806
NET CHANGE IN FUND BALANCE.....	(592,145)	12,119	(4,393)	(3,153)	(2,506,152)	225,517	(3,903)	25,944	(2,846,166)
FUND BALANCES, APRIL 1.....	1,731,108	193,300	30,057	2,415,183	2,695,507	267,752	414,915	108,620	7,856,442
FUND BALANCES, MARCH 31.....	\$ 1,138,963	\$ 205,419	\$ 25,664	\$ 2,412,030	\$ 189,355	\$ 493,269	\$ 411,012	\$ 134,564	\$ 5,010,276

The notes to financial statements are an integral part of this statement.

CITY OF ROCK HILL, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2019

Net Change In Fund Balances - Governmental Funds..... \$ (2,846,166)

Amounts reported for governmental activities in the statement of activities are difference because:

Capital outlays are reported in the governmental funds as expenditures, however, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$2,917,342) exceeded depreciation (\$467,100) in the current period..... 2,450,242

The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) increased net position..... 33,051

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increased long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.

Repayments during the current year:

Bonds payable.....	1,505,000
Amortization of premiums on debt issuance.....	75,171
Amortization of discount on debt issuance.....	(8,938)
Amortization of deferred charges on refunding.....	(19,706)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Deferred revenues.....	108,941
------------------------	---------

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes of these items are:

Accrued compensated absences liability.....	5,871
Accrued interest.....	(809,588)
Net pension liability.....	204,560
Deferred outflows - pension related.....	99,992
Deferred inflows - pension related.....	(57,733)

Change in Net Position of Governmental Activities..... \$ 740,697

The notes to financial statements are an integral part of this statement.

CITY OF ROCK HILL, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
MARCH 31, 2019

	Pension Trust Fund	Agency Fund
ASSETS		
Cash.....	\$ -	\$ 3,080
Investments, at fair value:		
Money market funds.....	37,368	-
Equity mutual funds.....	1,329,621	-
Fixed income mutual funds.....	672,104	
Accrued interest and dividends.....	3,449	-
TOTAL ASSETS.....	2,042,542	3,080
LIABILITIES		
Deposits held for others.....	-	3,080
TOTAL LIABILITIES.....	-	3,080
NET POSITION		
Restricted for pension.....	\$ 2,042,542	\$ -

The notes to financial statements are an integral part of this statement.

CITY OF ROCK HILL, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUND
FOR THE YEAR ENDED MARCH 31, 2019

	<u>Pension Trust Fund</u>
ADDITIONS	
Investment income	
Interest and dividends.....	\$ 79,576
Net depreciation in fair value of investments.....	(13,651)
Total Investment Income (Expense).....	65,925
Employer contributions.....	150,000
Total Additions.....	215,925
 DEDUCTIONS	
Benefits paid.....	245,130
Fees paid.....	4,627
Total Deductions.....	249,757
 CHANGE IN NET POSITION.....	 (33,832)
NET POSITION RESTRICTED FOR PENSION, APRIL 1.....	 2,076,374
NET POSITION RESTRICTED FOR PENSION, MARCH 31.....	 \$ 2,042,542

The notes to financial statements are an integral part of this statement.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF ROCK HILL, MISSOURI** (the City) was incorporated on April 29, 1929. The City operates under a Mayor-Board of Alderman-Administrator form of government and provides the following services: public safety (police and fire), public works, parks and recreation, housing, judicial, and general administrative services.

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

1. Reporting Entity

The financial statements of the City include the financial activities of the City and any component units, entities which are financially accountable to the City. The City does not currently have any component units.

2. Government-wide and Fund Financial Statements

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

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

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accountings. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 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 compensated absences, are recorded only when payment is due (i.e., matured).

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. 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 accounts for all activities except those required to be accounted for in another fund. Revenues in this fund are derived from taxes, fees, and other sources that are used for general ongoing government services such as police, fire, public works, and administration.

Park Fund – The Park Fund is used to account for park and stormwater sales taxes and grants to be used for park operations, improvements, and stormwater.

Sewer Lateral Fund – The Sewer Lateral Fund is used for the sewer lateral insurance fees restricted specifically for repairs of broken single-family and condominium residential sewer laterals.

SW TIF Fund – The SW TIF Fund is used to account for tax increment financing revenue from the SW redevelopment area.

General Capital Projects Fund – The General Capital Projects Fund is used to account for revenues derived from capital improvement sales taxes and grants to be used for the acquisition, construction, improvements, or maintenance for City equipment, vehicles or facilities.

Infrastructure Capital Projects Fund – The Infrastructure Capital Projects Fund is used to account for revenues derived from motor vehicle taxes, road and bridge taxes, and grants to be used for the constructions, improvements, or maintenance of infrastructure relating to streets and sidewalks.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following fund types

Pension Trust Fund – The Pension Trust Fund is used to account for assets held in a trustee capacity for the City’s eligible employees.

Agency Fund – The Agency Fund (Court Bond) is used to account for assets held by the City for court appearance bonds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of income.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges and various other functions of the City. Eliminations 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 other benefits provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

4. Cash and Investments

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. State statutes authorize the City to invest in obligations of U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Pension Funds may also invest in mutual funds. Investments are stated at fair value.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has two items that qualifies for reporting in this category. These items are deferred charge on refunding and deferred amounts related to pension reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension are differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments, and changes of assumptions. These amounts are deferred and amortized over six years.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. The item, deferred amounts related to pension reported in the government-wide statement of net position. The deferred amounts related to pension are differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments, and changes of assumptions. These amounts are deferred and amortized over five years. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and court fines and cost. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 column in the government-wide financial statements, net of accumulated depreciation. 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, donated works of art and similar items, and capital assets received in a service arrangement are recorded at estimated acquisition value as of the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The City has elected not to record the historical cost of infrastructure placed in service prior to April 1, 2004.

Depreciation is being computed on the straight-line method with no depreciation in the year placed in service, using asset lives as follows:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 – 40
Vehicles	5 – 7
Equipment	7 – 25
Infrastructure	40

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Compensated Absences

The City accrues compensated absences when vested. The current and noncurrent portions are recorded in the government-wide financial statements.

Vacation benefits accrue to employees based on their anniversary date of employment and are limited to a maximum of ten days over the employee's yearly entitlement. Upon leaving employment of the City, an employee is entitled to payment for accrued vacation.

Compensatory time accrues to a maximum of 240 hours for Fire Fighters, 80 hours for Police Officers, and 40 hours for all other employees. Sick leave accrues to a maximum of 648 hours for Fire Fighters and 480 hours for all other employees. Upon leaving employment of the City, an employee is not entitled to payment for accrued sick leave.

8. Long-term Obligations

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

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

9. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, based on the assessed value of the property. Taxes are levied in October and are due and payable on or before December 31.

Property tax revenue is recognized to the extent it is collected within 60 days after year-end in the fund financial statements. Property taxes not collected within 60 days of year-end are deferred for fund financial statements but are recognized as revenue in the government-wide financial statements.

All property tax assessment, billing, and collection functions are handled by the St. Louis County government. Taxes collected are remitted to the City by the St. Louis County Collector (the County Collector) in the month subsequent to the actual collection date. Taxes held by the County Collector, if any, are included in property taxes receivable in the accompanying fund financial statements.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Allowance

Taxes and bonds receivable are shown net of an allowance for uncollectible accounts of \$13,384.

11. Advances and Due To/From Other Funds

Noncurrent portions of long-term interfund loans receivable (reported in “advances to” asset accounts) are equally offset by a fund balance nonspendable account which indicates that they do not constitute “available spendable resources.” Current portions of long-term interfund loans receivable (reported in “due from” asset accounts) are considered “available spendable resources” and are subject to elimination upon consolidation.

12. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

13. Use of Estimates

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

14. Fund Balance Policies

The City’s policy is to report the fund balance in the following categories, when applicable, listed from the most restrictive to the least restrictive:

Nonspendable – The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted – The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed – The portion of fund balance with constraints or limitations by formal action of the Board of Aldermen, the highest level of decision-making authority.

Assigned – The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the Board of Aldermen has designated authority.

Unassigned – Amounts that are available for any purpose; these positive amounts are reported only in the General Fund.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance Policies (Continued)

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted – restricted, committed, assigned, and then unassigned.

The fund balance of the City's General Fund has been accumulated to provide stability and flexibility to respond to unexpected adversity and/or opportunities. The target is to maintain an unassigned fund balance of not less than 25% of annual operating expenditures for the fiscal year.

15. Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

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 be at least equal to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. As of March 31, 2019, the City's bank balance of \$2,536,764 was fully insured by depository insurance and collateralized with securities held by the Federal Reserve Bank.

The deposits and investments held at March 31, 2019, and reported at fair value, are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand deposits.....	\$ 2,458,778
Cash on hand.....	650
	<u>2,459,428</u>
Pooled Investments:	
Money market mutual funds.....	<u>2,242,643</u>
Pension Trust Investments:	
Money market funds.....	37,369
Equity mutual funds.....	1,329,621
Fixed income funds.....	672,103
	<u>2,039,093</u>
Total Deposits and Investments.....	<u><u>\$ 6,741,164</u></u>
 Reconciliation to the Financial Statements:	
Statement of Net Assets:	
Cash and Investments:	
Governmental Activities.....	\$ 4,698,991
Statement of Fiduciary Net Position:	
Cash and Investments:	
Held by trustees – Pension Trust Fund.....	2,039,093
Restricted:	
Agency Fund.....	<u>3,080</u>
	<u><u>\$ 6,741,164</u></u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE B – CASH AND INVESTMENTS (continued)

2. Investments

As of March 31, 2019, the City held the following investments:

Investments	Fair Value	No Maturity	Maturities			Credit Risk
			Less Than One Year	1 – 5 Years	6 – 10 Years	
Primary Government						
Money market funds	\$2,242,643	\$2,242,643	\$ -	\$ -	\$ -	Not rated
Fiduciary Funds						
Money market funds	37,369	37,369	-	-		N/A
Equity mutual funds	1,329,621	1,329,621	-	-		Not rated
Fixed income mutual funds						
Baird aggregate bond fund	207,941	-	-	-	207,941	A
Blackrock strategic income	39,542	-	-	-	39,542	BB
Dodge & Cox income	189,847	-	-	-	189,847	A
Prudential high yield	40,392	-	-	-	40,392	B
MFS Emerging markets debt	39,264	-	-	-	39,264	BB
Vanguard inflation protected	155,117	-	-	-	155,117	AAA
Total Fiduciary Funds						
Investments	2,039,093	1,366,990	-	-	672,103	
Total Investments	<u>\$4,281,736</u>	<u>\$ 3,609,633</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 672,103</u>	

3. Investment 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 states that they minimize credit risk by prequalifying the financial institutions, brokers/dealers, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

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 states that they minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing primarily in shorter term securities.

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 states that they minimize concentration of credit risk by diversifying the investment portfolio.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE B – CASH AND INVESTMENTS (Continued)

4. Fair Value Measurements (Continued):

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities.

The Primary Government did not have any investments subject to fair value level classification as of March 31, 2019.

The Fiduciary Fund has the following recurring fair value measurements as of March 31, 2019.

- Fixed income mutual funds of \$672,103 and equity mutual funds of \$1,329,621 are valued using quoted prices. (Level 1 inputs)
- Money market funds of \$37,369 are investments not subject to fair value level classification.

5. Investment Policy-Uniformed Employee Pension Plan:

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Uniformed Employees' Pension Plan Board. Plan assets are managed with a long-term object of achieving the ability to pay all benefit and expense obligations provided through the Plan.

Credit Risk - The plan does not have a specific policy addressing custodial credit risk. Neither the Pension Trust's bank balances nor its investments were subject to custodial credit risk this year.

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 plan's investment policy states that they minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk located on the previous page and the fixed income mutual funds listed therein, have average effective maturity ranging from 6.5 to 9.3 years.

Rate of return: For the year ended March 31, 2019, the annual money weighted rate of return on the pension plan investments, net of pension plan investment expense, was 9.24 percent. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts actually invested.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE B – CASH AND INVESTMENTS (Continued)

5. Investment Policy-Uniformed Employee Pension Plan (Continued):

Concentration of Credit Risk is required to be disclosed by the plan for any single investment that represents 5% or more of the total investments (excluding investments issued by or explicitly guaranteed by the US Government and investments in mutual funds). As of March 31, 2019, the Plan's investments were all in mutual funds.

The following is the asset allocation policy as amended by the Uniformed Employees' Pension Plan Board on April 9, 2015:

<u>Asset Class</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Money Market	2%	4%	6%
Fixed Income	26%	31%	50%
Large Cap	25%	35%	40%
Small/Mid Cap	10%	15%	20%
International	10%	15%	20%

NOTE C – PROPERTY TAX

The City's property tax is levied annually on or before October 1 based on the assessed valuation of all real and personal property located in the City as of the previous January 1. Assessed valuations are established by the St. Louis County Assessor. Rock Hill citizen's approved a 34 cent property tax to be used for General Government Services. The City's tax rate per \$100 of assessed valuation is levied as follows.

	<u>Real Estate</u>		<u>Personal</u>
	<u>Residential</u>	<u>Commercial</u>	<u>Property</u>
General government services	\$ 0.2700	\$ 0.2840	\$ 0.3400
Debt service	0.7950	0.7950	0.7950
Total property tax levied:	<u>\$ 1.0650</u>	<u>\$ 1.079</u>	<u>\$ 1.135</u>

Taxes are billed October 1, are due and collectible on December 31, and are delinquent and represent a lien on related property on January 1 of the following year. Taxes are billed, and remitted to the City by the St. Louis County Collector.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE D – Capital Assets

The following is a summary of changes in capital assets:

	For The Year Ended March 31, 2019		
	Balance March 31, 2018	Additions	Deletions
Capital assets not being depreciated:			
Land	\$ 282,639	\$ 33,051	\$ -
Construction in progress	4,344,740	127,874	4,339,205
Total Capital Assets Not Being Depreciated	4,627,379	160,925	4,339,205
Capital assets being depreciated:			
Buildings and improvements	824,009	6,966,894	96,340
Vehicles	1,365,535	-	-
Equipment	477,337	20,433	21,714
Infrastructure	12,869,402	141,346	-
Total Capital Assets Being Depreciated	15,536,283	7,128,673	118,054
Less-Accumulated depreciation for:			
Buildings and improvements	274,711	17,582	96,340
Vehicles	1,096,493	73,319	-
Equipment	237,912	41,024	21,714
Infrastructure	1,845,682	335,175	-
Total Accumulated Depreciation	3,454,798	467,100	118,054
Total Capital Assets Being Depreciated, Net	12,081,485	6,661,573	-
Capital Assets, Net	<u>\$ 16,708,864</u>	<u>\$ 6,822,498</u>	<u>\$ 4,339,205</u>

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

	For The Year Ended March 31, 2019
Administration	\$ 1,404
Fire department	10,809
Parks and recreation department	29,307
Police department	28,317
Public works	397,263
Total	<u>\$ 467,100</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS

Missouri Local Government Employees Retirement System

1. Plan Description

The City's employees participate 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 statute, Section RSMo 70.600 – 70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplemental 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. Benefits Provided

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

Benefit multiplier – general, police and fire	1.25%
Final average salary	5 years

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

3. Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	12
Active employees	32
Total	<u>63</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

4. Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount of finance an unfunded accrued liability. The City contribution rates are 0.3% (General), 12.6% (Police) and 11.1% (Fire) of annual covered payroll.

5. Net Pension Liability

The City's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

6. Actuarial Assumptions

The total pension liability in the February 28, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary increase	3.25% to 7.15% including wage inflation
Investment rate of return	7.25% net of investment and administrative expenses

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

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2018. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2018 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	43.0%	5.29%
Fixed Income	26.0	2.93
Real assets	21.0	3.31
Strategic Assets	10.0	5.73

7. Discount Rate

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

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

8. Changes in the Net Pension Liability/(Asset)

A. Total Pension Liability

1. Service Cost	\$ 137,298
2. Interest on Total Pension Liability	313,755
3. Changes of Benefit Terms	-
4. Difference between expected and actual experience of the Total Pension Liability	120,599
5. Changes of Assumptions	(9,880)
6. Benefit payments, including refunds of employee contributions	<u>(165,482)</u>
7. Net change in total pension liability	396,290
8. Total Pension liability – June 30, 2017	<u>4,359,566</u>
9. Total Pension liability – June 30, 2018	<u><u>\$4,755,856</u></u>

B. Plan Fiduciary Net Position

1. Contributions – employer	\$ 138,322
2. Contributions – employee	-
3. Net investment income	572,500
4. Benefit payments, including refunds of employee contributions	(165,482)
5. Pension plan administrative expense	(4,695)
6. Other (Net Transfers)	<u>144,385</u>
7. Net Change in plan fiduciary net position	685,030
8. Plan fiduciary net position – June 30, 2017	<u>4,552,186</u>
9. Plan fiduciary net position – June 30, 2018	<u><u>\$5,237,216</u></u>

C. Net pension liability/(asset)	\$ (481,360)
D. Plan fiduciary net position as a percentage of the total pension liability	110.12%
E. Covered payroll	\$1,726,721
F. Net pension liability as a percentage of covered employee payroll	(27.88)%

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

9. Sensitivity of the Net Pension Liability to Change in the Discount Rate

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

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
Net pension liability (asset)	\$ 213,103	\$ (481,360)	\$ (1,053,452)

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

For the year ended March 31, 2019, the City recognized pension expense of \$28,669. Reported deferred outflows and inflows of resources are related to the following sources.

	Outflows	Inflows	Net Outflows
Differences in experience	\$ 137,032	\$ (61,426)	\$ 75,606
Assumption changes	74,805	(18,066)	56,739
Excess (deficit) investment returns	-	(138,179)	(138,179)
Contributions subsequent to the measurement date*	114,965	-	114,965
Total	<u>\$ 326,802</u>	<u>\$ (217,671)</u>	<u>\$ 109,131</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the next year.

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

For The Years Ending June 30	
2019	\$ 51,342
2020	16,901
2021	(56,262)
2022	(25,437)
2023	8,976
Thereafter	(1,354)
Total	<u>\$ (5,834)</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

11. Payable to the Pension Plan

As of March 31, 2019, the City recorded a payable of \$16,344 for the outstanding amount of contributions due to the pension plan.

Pension Plan for the Uniformed Employees' of the City of Rock Hill

1. Plan Summary

Plan description: The Uniformed Employees' Pension Plan (the Plan), is a closed, single-employer, defined benefit pension plan administered by the City of Rock Hill covering all full-time employees of the Police and Fire Departments of the City hired before October 28, 2003. The Plan was created and governed by ordinance in accordance with state statutes. The Plan may be amended under the provisions of the original ordinance.

The Plan does not issue a separate financial report.

Plan administration: Management of the Plan is vested in the Uniformed Employees' Pension Board, which consists of five members—the Mayor and City Treasurer, who serves as ex-officio members, two elected by plan members, one appointed by the Mayor.

Plan membership: As of May 1, 2018 (the most recent actuarial valuation date), membership in the Plan is comprised of the following:

Inactive employees or beneficiaries currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	12
Active employees	0
	<u>27</u>

Benefits provided: Covered employees are vested in their Accrued Monthly Pension Benefit after 5 or more years of vesting service.

Covered employees who have attained the age of 60 years and have 20 years of vesting service shall be eligible for normal retirement benefits. Covered employees who have attained the age of 50 years and have 10 years of vesting service shall be eligible for early retirement benefits.

Participants who had not started receiving benefits by May 1, 2003 shall be eligible to receive 30% of their final average monthly compensation reduced by 1/20th for each year of benefit service at normal retirement less than 20 years plus a temporary benefit of 20% of final average monthly compensation reduced 1/20th for each year of benefit service at normal retirement less than 20 years. This temporary benefit shall be payable only until the participant reaches age 62.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Plan for the Uniformed Employees of the City of Rock Hill (Continued)

1. Plan Summary (Continued)

Participants who were age 50 or had 15 years of service as of April 30, 2003 shall be eligible for 50% of their final average monthly compensation reduced by 1/20th for each year of benefit service at normal retirement less than 20 years.

Final average compensation is defined as the participant's highest average five consecutive completed plan years' earnings prior to retirement or termination. Years of benefit service is defined as the number of full years of continuous service from the date of hire. The monthly normal retirement pension is payable for the life of the participant with 120 payments guaranteed.

Contributions: As of March 31, 2019, the City did not have a formal contribution policy. Annual contributions made to the Plan over the last five years averaged 76% of the Actuarial Required Contribution (ARC). Based on the actuary's recommendation, the City will research a contribution policy that better reflects the facts that the Plan is frozen and the number of active participants is declining.

2. Net Pension Liability

The City's net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions: The total pension liability in the March 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>Beginning</u>	<u>Ending</u>
Discount Rate	6.40%	6.40%
Investment Rate of Return	6.40%	6.40%
Salary Increases, including inflation	0.00%	0.00%
Inflation	3.00%	3.00%

Mortality

Pre-Retirement, Beginning	RP-2000 Mortality Table projected to valuation date by Scale AA
Post-Retirement, Beginning	RP-2000 Mortality Table projected to valuation date by Scale AA
Pre-Retirement, Ending	SOA Pub 2010 Public Safety Table, projected generationally with MP-2018 improved scale
Pre-Retirement, Ending	SOA Pub 2010 Public Safety Table, projected generationally with MP-2018 improved scale
Termination Rates	None
Disability Rates	None
Retirement Rates	100% retirement at age 60

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Plan for the Uniformed Employees of the City of Rock Hill (Continued)

2. Net Pension Liability (Continued)

Expected long-term rate of return: The expected long-term rate of return was developed using the Black-Litterman Method by the Plan's financial advisor. Long-term capital market return assumptions were developed for each individual asset class included in the Plan. The return assumptions for each asset class are developed by combining historical equilibrium returns with the financial advisor's subjective views. These individual asset class return assumptions are then multiplied by the pension plan's target asset allocation to each individual class, which results in producing a long-term expected rate of return of 6.4 percent for the Plan. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap	35%	8.15%
Small/Mid cap	15	9.10
International	10	8.80
Emerging markets	5	10.25
US fixed income	26	2.60
Global fixed income	5	2.35
Cash	4	0.20
Total	<u>100%</u>	

Discount rate: Discount rate may or may not be equal to the expected long-term rate of return. Assets and liabilities were projected into the future (assuming 75% of the required contributions are deposited) to determine if there is a point at which the assets are unable to pay benefits. The projections show that this occurs late enough that there is no measurable effect to the Discount Rate. The resulting effective interest rates are 6.40 percent and 6.40 percent for the fiscal years ending 3/31/2018 and 3/31/2019, respectively.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Plan for the Uniformed Employees of the City of Rock Hill (Continued)

2. Net Pension Liability (Continued)

Changes in net pension liability:

A. Total Pension Liability

1. Service Cost	\$ 9,834
2. Interest on Total Pension Liability	195,265
3. Difference between expected and actual experience of the Total Pension Liability	(26,678)
4. Changes of Assumptions	116,235
5. Benefit payments, including refunds of employee contributions	(244,308)
6. Net change in total pension liability	<u>50,348</u>
7. Total Pension liability – March 31, 2018	3,170,053
8. Total Pension liability – March 31, 2019	<u>\$ 3,220,401</u>

B. Plan Fiduciary Net Position

1. Contributions – employer	\$ 150,000
2. Net investment income	60,476
3. Benefit payments, including refunds of employee contributions	(244,308)
4. Pension plan administrative expense	-
5. Other (Net Transfers)	<u>-</u>
6. Net Change in plan fiduciary net position	(33,832)
7. Plan fiduciary net position – March 31, 2018	2,076,374
8. Plan fiduciary net position – March 31, 2019	<u>\$ 2,042,542</u>

C. Net pension liability/(asset) \$ 1,177,859

D. Plan fiduciary net position as a percentage of the total Pension liability 63.43%

E. Covered payroll \$ 350,990

F. Net pension liability as a percentage of covered employee payroll 335.58%

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Plan for the Uniformed Employees of the City of Rock Hill (Continued)

2. Net Pension Liability (Continued)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.40 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.40 percent) or 1-percentage-point higher (7.40 percent) than the current rate:

	1% Decrease (5.40%)	Current Discount Rate (6.40%)	1% Increase (7.40%)
City's net pension liability	\$ 1,499,777	\$ 1,177,859	\$ 902,894

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

For the year ended March 31, 2019, the City recognized pension expense of \$22,676. At March 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Outflows	Inflows	Net Outflows
Differences in experience	\$ 14,045	\$ (51,475)	\$ (37,430)
Assumption changes	116,235	-	116,235
Excess (deficit) investment returns	126,458	(94,876)	31,582
Total	<u>\$ 256,738</u>	<u>\$ (146,351)</u>	<u>\$ 110,387</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Plan for the Uniformed Employees of the City of Rock Hill (Continued)

3. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

For the Years Ending March 31,	
<u> </u>	
2020	\$ 43,299
2021	62,276
2022	(11,186)
2023	2,365
2024	13,631
Thereafter	<u>2</u>
Total	<u>\$ 110,387</u>

4. Payable to the Pension Plan

At March 31, 2019, the City had no payable for contributions to the Plan.

Summary of financial reporting of the City's pension plans:

	<u>LAGERS</u>	<u>Uniformed Employees</u>	<u>Total</u>
Pension liabilities	\$ 4,755,856	\$ 3,220,401	\$ 7,976,257
Pension assets	<u>5,237,216</u>	<u>2,042,542</u>	<u>7,279,758</u>
Net pension liability(asset)	<u>\$ (481,360)</u>	<u>\$ 1,177,859</u>	<u>\$ 696,499</u>
 Pension related deferred outflow	 \$ 326,802	 \$ 256,738	 \$ 583,540
Pension related deferred inflow	\$ (217,671)	\$ (146,351)	\$ (364,022)
 Pension expenditures for the period associated with the net pension liabilities	 \$ 28,669	 \$ 22,676	 \$ 51,345

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE F – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damages 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 worker's compensation, health insurance, 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.

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

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE G – COMMITMENTS AND CONTINGENCIES

The City receives various grants and state funding for specific purposes that are subject to review and audit. These reviews and audits could lead to requests for reimbursement or to withholding of future funding for expenditures disallowed under or other noncompliance with the terms of the grants and funding. The City is not aware of any noncompliance with federal or state provisions that might require the City to provide reimbursement.

All Missouri entities, which have collected confiscation funds, may be required to remit part or all of these funds to other governmental entities. There is no information presently available to project the impact, if any, on the City's financial position.

Construction Commitments

The City has an active construction project for the design and construction of Municipal facilities. As of March 31, 2019 the City's commitments with contractors are as follows:

Contractor	Total Spent As of March 31, 2019	Remaining Commitment
K&S Associates	\$ 5,795,982	\$ 10,000
Total	<u>\$ 5,795,982</u>	<u>\$ 10,000</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE H – LONG-TERM LIABILITIES

Long-term debt consists of the following:

	For the Year Ended March 31, 2019				
	Balance March 31, 2018	Additions	Reductions	Balance March 31, 2019	Amounts Due Within One Year
General Obligation Bonds					
Series 2010 Refunding	\$ 735,000	\$ -	\$ 175,000	\$ 560,000	\$ 175,000
Series 2011	65,000	-	65,000	-	-
Series 2016	5,650,000	-	245,000	5,405,000	250,000
Series 2017 Refunding	3,079,974	-	-	3,079,974	85,000
Plus – Premium	767,374	-	75,171	692,203	-
Tax Increment Revenue Notes and Bonds					
Tax increment revenue notes	8,337,701	-	-	8,337,701	-
Tax increment revenue Bonds	14,640,000	-	1,020,000	13,620,000	790,000
Less – Discount	(157,150)	-	(8,938)	(148,212)	-
Compensated absences	165,984	119,163	125,034	160,113	96,068
Total	<u>\$33,283,883</u>	<u>\$ 119,163</u>	<u>\$1,696,267</u>	<u>\$31,706,779</u>	<u>\$1,396,068</u>

The general obligation bonds are to be liquidated by the Debt Service Fund. The tax increment revenue notes and bonds are to be liquidated by the SW TIF Fund. The compensated absences are to be liquidated by the General Fund and Park Fund.

General Obligation Bonds

General obligation bonds are obligations of the City, and the full faith credit, and resources of the City have been pledged to the payment of principal of and interest on the bonds and payables are comprised of the following issues:

In December, 2010, the City issued \$1,750,000 in General Obligation Refunding bonds to advance refund the Series 2002 General Obligation Bonds. The net proceeds (after payment of underwriting fees and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments of the old debt. As of March 31, 2011, \$275,000 was remaining of the old debt which was placed in an irrevocable trust which was considered defeased. The City decreased its aggregated debt service payments by \$140,852 over 11 years, which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$95,638.

In July, 2011, the City issued \$3,500,000 in General Obligation Bonds with varying interest rates from 2% to 4.5% due in annual installments through March 1, 2031. The bonds were issued for the purpose of street improvements.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE H – LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

In July, 2016, the City issued \$6,100,000 in General Obligation Bonds (Series 2016) with varying interest rates from 2% to 4% due in annual installments through March 1, 2036. The bonds were issued for the purpose of the construction of municipal facilities that include city hall, police station and fire station.

In September, 2017, the City issued \$3,079,974 in General Obligation Bonds (Series 2018) with varying interest rates from 2% to 3%. The City issued the bonds to advance refund the portion of the General Obligation Bonds (Series 2011) maturing on March 1, 2022 and thereafter, in the aggregate principal amount of \$3,080,000. The net proceeds of \$3,202,675 (after payment of underwriting fees and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments of the old debt. As a result, that portion of the Series 2011 bonds is considered defeased, and the City has removed the liability from the Statement of Net Position. The defeased bonds were redeemed on March 31, 2019. The City decreased its aggregated debt service payments by \$273,462 over 14 years, which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$230,565.

Debt service requirements for the bonds are as follows:

General Obligation Bonds				
For The Years Ended March 31,	Principal	Interest	Compound Interest¹	Total
2020	\$ 510,000	\$ 286,312	\$ -	\$ 796,312
2021	525,000	273,925	-	798,925
2022	540,000	260,575	-	800,575
2023	555,000	246,850	-	801,850
2024	570,000	232,900	-	802,900
2025-2029	3,024,974	933,050	55,026	4,013,050
2030-2034	2,495,000	417,150	-	2,912,150
2035-2036	825,000	49,800	-	874,800
Total	<u>\$ 9,044,974</u>	<u>\$ 2,700,562</u>	<u>\$ 55,026</u>	<u>\$ 11,800,562</u>

¹General Obligation Refunding Bonds Series 2017 includes Capital Appreciation Bonds original principal amount of \$44,974, matures in 2025 with a maturity value of \$100,000. Interest is compounded annually.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE H – LONG-TERM LIABILITIES (Continued)

Tax Increment Revenue Notes and Bonds

During 2015, the City issued \$16,350,000 of Tax Increment Revenue Bonds, Series 2015A (the “Priority Bonds”) in conjunction with \$8,337,701 of Tax Increment Revenue Notes, Series 2015B (the Subordinate Notes), to refund the Tax Increment Revenue Notes, Series A and Series B, fund a debt service reserve fund securing the Priority Bonds, and pay the costs of issuing the Bonds. The tax increment revenue bonds and notes are considered a special limited obligation of the City. The City will make principal and interest payments on the tax increment revenue notes based on the incremental payments in lieu of taxes (PILOTS) and economic activity tax (EATS).

Since annual repayment amounts for the tax increment revenue notes will be determined based on future revenues, a schedule of debt service requirements to maturity cannot be established.

NOTE I – RECONCILIATION OF INTERFUND TRANSACTIONS

1. Interfund Transfers

	<u>Transfers From</u>	<u>Transfers To</u>	<u>Net Transfers</u>
Major Funds			
General Capital Projects Fund.....	\$ (258,000)	\$ -	\$ (258,000)
General Capital Projects Fund.....	(282)	258,000	257,718
Infrastructure Capital Projects Fund.....	-	175,000	175,000
Park Fund.....	(175,000)	-	(175,000)
Debt Service Fund.....	-	282	282
Total.....	<u>\$ (433,282)</u>	<u>\$ 433,822</u>	<u>\$ -</u>

The transfer from the General Fund to the General Capital Projects Fund was for the purpose of additional funding for the municipal facilities project. The transfer from the Park Fund to the Infrastructure Capital Projects Fund was for the purpose of funding capital infrastructure projects that involve stormwater improvements. The transfer from the General Capital Projects Fund to the Debt Service Fund was an operational transfer.

2. Advances From/To Other Funds

Individual interfund assets and liabilities balances are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>March 31, 2019</u>
General Fund	Sewer Lateral Fund	\$ 5,000

The advance amount payable to the General fund relates to a loan to the Sewer Lateral Fund to stabilize the fund.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE J – UNRESTRICTED NET POSITION DEFICIT

The government-wide statement of net position reflects an unrestricted net position deficit of (\$23,790,043). This total is comprised of \$1,170,907 in unrestricted net position from operations, an unrestricted net position deficit resulting from the issuance of tax increment revenue bonds and notes in the amount of (\$21,809,489) and interest payable on these notes of (\$2,274,480), which is for development not owned by the City, and net pension liability net of deferred outflows and inflows related to pension of (\$476,981).

The City's responsibility to repay the tax increment revenue bonds and notes extends only to the incremental revenues generated by the TIF district. The tax increment revenue bonds and notes are a special limited obligation of the City and are not used in calculating the City's debt limit.

NOTE K – RESTRICTED NET POSITION

The government-wide statement of net position reports \$3,846,306 of restricted net assets, of which 100% is restricted by enabling legislation.

NOTE L – TAX INCREMENT REVENUES PLEDGED

The City has pledged a portion of future tax revenues to repay tax increment revenue bonds and notes issued to finance certain improvements in the City. The bonds and notes are payable solely from the incremental taxes generated by increased sales and assessed property values in the improved area. Incremental taxes were projected to produce 100% of the debt service requirements over the life of the bonds and notes. As of March 31, 2019, the City received \$1,659,093 in tax incremental revenues that were pledged for the debt service on the TIF bonds and notes. Information regarding the TIF bonds and notes are reported in Note H.

NOTE M – MUNICIPAL COURT TRAFFIC VIOLATIONS FINES AND COSTS

Missouri State statutes require municipalities to report an accounting of the percent of "annual general operating revenue" from fines and costs for traffic violations. All fines and costs from traffic violations in excess of 20% of the City's "annual general operating revenue" are required to be remitted to the director of the department of revenue for annual distribution to the schools of the county. "Annual general operating revenue of the City" is defined by the Missouri State Auditor as revenue that is not required by the enacting ordinance law or Constitution to be used only for a designated purpose and can be used to pay any bill or obligation of the City. This includes, but is not limited to, general sales tax, general property tax, and fees from certain licenses and permits, interest, fines, and penalties. "General Operation Revenues" does not include, among other items, designated sales or use taxes, user fees, grant funds or other revenue designated by law, ordinance, or Constitution, for a specific purpose.

Total court fines and costs (all case types).....	\$ 191,308
Total general operating revenue of the City.....	<u>2,470,295</u>
 Court fines and costs as a percentage of total general operating revenue of the City.....	 <u>7.7%</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE N – PRIOR PERIOD ADJUSTMENTS

Fiscal year 2018 net position was adjusted as follows:

Government-Wide Financials-Governmental Activities

Net Position:

Total net position, as originally reported.....	\$ (11,197,512)
Correct deferred outflows of resources, deferred amounts related to pensions....	<u>105,123</u>
Total net position, restated.....	<u>\$ (11,092,389)</u>

NOTE O - RECENT ACCOUNTING PRONOUNCEMENTS

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Government Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

In January 2017, the GASB issued Statement No 84, “Fiduciary Activities.” The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for account and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

In May 2017, the GASB issued Statement No 86 “Certain Debt Extinguishment Issues.” The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt. This Statement also improves account and financial reporting for prepaid insurance on debt that is extinguished and notes to the financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

In June 2017, the GASB issued Statement No 87 “Leases.” The objective of this Statement is to better meet the information needs of the financial statement user by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

In March 2018, the GASB issued Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.” The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019. Earlier application is encouraged.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

NOTE O - RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2018, the GASB issued Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

The effects of the City's financial statements as a result of the adoption of these new pronouncements are unknown.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 313,250	\$ 313,250	\$ 277,444	\$ (35,806)
Gross Receipt Taxes:				
Cable television.....	70,000	70,000	61,036	(8,964)
Electric.....	370,000	390,000	387,356	(2,644)
Gas.....	176,750	176,750	190,928	14,178
Telephone.....	140,000	118,000	122,141	4,141
Water.....	65,600	65,600	74,900	9,300
Total Gross Receipts Taxes.....	822,350	820,350	836,361	16,011
Sales Tax:				
County sales tax.....	960,075	905,075	863,118	(41,957)
Fire sales tax.....	224,400	215,000	204,482	(10,518)
County public safety sales tax.....	230,000	230,000	252,999	22,999
Total Sales Tax.....	1,414,475	1,350,075	1,320,599	(29,476)
Licenses, permits, fines and fees:				
Auto personal property.....	13,400	13,400	13,844	444
Building permits.....	17,500	17,500	20,999	3,499
Liquor.....	9,100	9,100	11,531	2,431
Merchants' licenses.....	189,700	189,700	188,508	(1,192)
Fines and court costs.....	420,000	206,000	196,073	(9,927)
Total Licenses and Permits.....	649,700	435,700	430,955	(4,745)
Intergovernmental:				
Cigarette tax.....	22,705	22,705	22,730	25
Investment Income.....	7,680	7,680	11,191	3,511
Miscellaneous:				
Grant income.....	3,650	3,650	2,938	(712)
Miscellaneous.....	15,650	15,650	28,496	12,846
Total Miscellaneous.....	19,300	19,300	31,434	12,134
Total Revenues.....	3,249,460	2,969,060	2,930,714	(38,346)

(Continued)

See accompanying independent auditor's report and notes to the budgetary comparison information.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES				
Current:				
Administration:				
Personnel services.....	338,201	403,201	398,089	(5,112)
Contracted services.....	140,597	192,297	194,165	1,868
Operating expenditures.....	38,487	38,487	38,096	(391)
Capital outlay.....	1,872	1,872	2,464	592
Total Administration.....	<u>519,157</u>	<u>635,857</u>	<u>632,814</u>	<u>(3,043)</u>
Fire Department:				
Personnel services.....	931,202	964,294	972,772	8,478
Contracted services.....	52,000	52,000	43,072	(8,928)
Operating expenditures.....	12,500	12,500	13,027	527
Capital outlay.....	1,000	1,000	918	(82)
Total Fire Department.....	<u>996,702</u>	<u>1,029,794</u>	<u>1,029,789</u>	<u>(5)</u>
Housing Department:				
Personnel services.....	33,248	33,248	20,094	(13,154)
Contracted services.....	1,480	1,480	-	(1,480)
Operating expenditures.....	1,655	1,655	310	(1,345)
Total Housing.....	<u>36,383</u>	<u>36,383</u>	<u>20,404</u>	<u>(15,979)</u>
Municipal Court:				
Personnel services.....	133,030	133,030	128,666	(4,364)
Contracted services.....	22,400	22,400	16,492	(5,908)
Operating expenditures.....	4,500	4,500	1,831	(2,669)
Capital outlay.....	2,000	2,000	52	(1,948)
Total Municipal Court.....	<u>161,930</u>	<u>161,930</u>	<u>147,041</u>	<u>(14,889)</u>
Police Department:				
Personnel services.....	921,795	947,795	931,148	(16,647)
Contracted services.....	112,437	112,437	96,915	(15,522)
Operating expenditures.....	10,205	10,205	10,298	93
Total Police Department.....	<u>1,044,437</u>	<u>1,070,437</u>	<u>1,038,361</u>	<u>(32,076)</u>

(Continued)

See accompanying independent auditor's report and notes to the budgetary comparison information.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GENERAL FUND (Continued)
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
Public Works				
Personnel services.....	281,176	281,176	293,854	12,678
Contracted services.....	49,875	49,875	43,874	(6,001)
Operating expenditures.....	98,525	98,525	58,722	(39,803)
Total Public Works.....	429,576	429,576	396,450	(33,126)
Total Expenditures.....	3,188,185	3,363,977	3,264,859	(99,118)
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>61,275</u>	<u>(394,917)</u>	<u>(334,145)</u>	<u>60,772</u>
OTHER FINANCING SOURCES				
(USES)				
Transfer in	5,000	5,000	-	(5,000)
Transfer out	(258,000)	(258,000)	(258,000)	-
Total Other Financing Sources (Uses).....	<u>(253,000)</u>	<u>(253,000)</u>	<u>(258,000)</u>	<u>(5,000)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ (191,725)</u>	<u>\$ (647,917)</u>	<u>(592,145)</u>	<u>\$ 55,772</u>
FUND BALANCE, APRIL 1.....			<u>1,731,108</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 1,138,963</u>	

See accompanying independent auditor's report and notes to the budgetary comparison information.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-PARK FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Sales tax - parks/stormwater.....	\$ 450,000	\$ 450,000	\$ 410,661	\$ (39,339)
Intergovernmental:				
Park and recreation programs.....	5,750	5,750	2,873	(2,877)
Fall Festival.....	-	-	1,000	1,000
Total Revenues.....	<u>455,750</u>	<u>455,750</u>	<u>414,534</u>	<u>(41,216)</u>
EXPENDITURES				
Personnel services.....	216,081	216,081	203,014	(13,067)
Contracted services.....	782	782	544	(238)
Operating expenditures.....	16,300	16,300	14,456	(1,844)
Capital outlay.....	27,500	27,500	9,401	(18,099)
Total Expenditures.....	<u>260,663</u>	<u>260,663</u>	<u>227,415</u>	<u>(33,248)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>195,087</u>	<u>195,087</u>	<u>187,119</u>	<u>(7,968)</u>
OTHER FINANCING SOURCES (USES)				
Transfer out.....	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
Total Other Financing Sources (Uses).....	<u>(175,000)</u>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 20,087</u>	<u>\$ 20,087</u>	<u>12,119</u>	<u>\$ (7,968)</u>
FUND BALANCE, APRIL 1.....			<u>193,300</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 205,419</u>	

See accompanying independent auditor's report and notes to the budgetary comparison information.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-SEWER LATERAL FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Miscellaneous.....	\$ 65,000	\$ 65,000	\$ 61,902	\$ (3,098)
EXPENDITURES				
Current:				
Capital Outlay.....	54,000	66,295	66,295	-
NET CHANGE IN FUND BALANCE.....	<u>\$ 11,000</u>	<u>\$ 3,705</u>	(4,393)	<u>\$ (3,098)</u>
FUND BALANCE, APRIL 1.....			<u>30,057</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 25,664</u>	

See accompanying independent auditor's report and notes to the budgetary comparison information.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-SW TIF FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 595,000	\$ 595,000	\$ 598,823	\$ 3,823
Sales Tax.....	560,500	560,500	524,805	(35,695)
TDD Sales Tax.....	269,000	269,000	265,216	(3,784)
CID Sales Tax.....	269,000	269,000	270,249	1,249
Investment Income.....	3,500	3,500	22,454	18,954
Total Revenues.....	<u>1,697,000</u>	<u>1,697,000</u>	<u>1,681,547</u>	<u>(15,453)</u>
EXPENDITURES				
Current:				
Administration.....	5,000	5,000	-	(5,000)
Debt service:				
Principal	900,000	900,000	1,020,000	120,000
Interest and fiscal agent fees.....	685,000	685,000	664,700	(20,300)
Total Expenditures.....	<u>1,590,000</u>	<u>1,590,000</u>	<u>1,684,700</u>	<u>94,700</u>
NET CHANGE IN FUND BALANCE.....	<u><u>\$ 107,000</u></u>	<u><u>\$ 107,000</u></u>	(3,153)	<u><u>\$ (110,153)</u></u>
FUND BALANCE, APRIL 1.....			<u>2,415,183</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 2,412,030</u></u>	

See accompanying independent auditor's report and notes to the budgetary comparison information.

CITY OF ROCK HILL, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION – NOTES TO
SCHEDULE OF REVENUES, EXPNEDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2019

1. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data:

- a. Formal budgetary integration is employed as a management control device during the year. This budget is adopted on a basis consistent with the City's basis of accounting described previously.
- b. Unused appropriations lapse at the end of the year.
- c. Budget amounts may include budget amendments that were made during the year, if any.
- d. Board approval is required for budget amendments.
- e. The legal level of budgetary control is at the department level.
- f. A budget is adopted for the General Fund, SW TIF Fund, NW TIF Fund, Debt Service Fund, Sewer Lateral Fund, Police Training Fund, General Capital Projections Fund, and Infrastructure Capital Projects Fund.
- g. The issuance of long-term refunding debt and proceeds of capital leases and related expenditures are not budgeted.

2. Legal Compliance – Budgets

The following is a listing of expenditures at the legal level control which exceeded budget appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
SW TIF FUND:			
Expenditures.....	\$ 1,590,000	\$ 1,684,700	\$ 94,700

The expenditures over budget were financed by the SW TIF beginning fund balance.

CITY OF ROCK HILL, MISSOURI
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
LAST FOUR FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,			
	2018	2017	2016	2015
Total Pension Liability (TPL)				
Service Cost.....	\$ 137,298	\$ 136,571	\$ 122,314	\$ 119,202
Interest on Total Pension Liability.....	313,755	294,475	263,215	252,091
Change in Benefit Terms.....	-	-	-	-
Assumption Changes.....	(9,880)	(5,519)	122,989	-
Experience Gains/Losses.....	120,599	(14,473)	62,288	(99,582)
Benefit Payments.....	(165,482)	(131,105)	(121,190)	(118,478)
Net Change in Total Pension Liability.....	396,290	279,949	449,616	153,233
Total Pension Liability-July 1.....	4,359,566	4,079,617	3,630,001	3,476,768
Total Pension Liability-June 30.....	\$ 4,755,856	\$ 4,359,566	\$ 4,079,617	\$ 3,630,001
Plan Fiduciary Net Position (FNP)				
Contributions - employer.....	138,322	128,149	129,004	130,640
Net Investment Income.....	572,500	479,687	(8,428)	77,425
Benefit Payments.....	(165,482)	(131,105)	(121,190)	(118,478)
Administrative Expenses.....	(4,695)	(4,383)	(4,459)	(4,660)
Other (Net Transfers).....	144,385	26,606	(33,703)	81,341
Net Change in Plan Fiduciary Net Position.....	685,030	498,954	(38,776)	166,268
Total Fiduciary Net Position-July 1.....	4,552,186	4,053,232	4,092,008	3,925,740
Total Fiduciary Net Position-June 30.....	\$ 5,237,216	\$ 4,552,186	\$ 4,053,232	\$ 4,092,008
Net Pension Liability (Asset)-June 30.....	\$ (481,360)	\$ (192,620)	\$ 26,385	\$ (462,007)
Plan fiduciary net position as a percentage of the total pension liability.....	110.12%	104.42%	99.35%	112.73%
Covered payroll.....	\$ 1,726,721	\$ 1,690,900	\$ 1,672,879	\$ 1,493,000
Net pension liability as of a percentage of covered payroll.....	-27.88%	-11.39%	1.58%	-30.95%
Sensitivity of Total Pension Liability to changes in the Discount Rate +/-1%.....				
Total Pension Liability (Discount Rate).....	4,755,856	4,359,566	4,079,617	3,630,001
Total Pension Liability (Discount Rate + 1%).....	4,183,764	3,827,077	3,579,651	3,206,161
Total Pension Liability (Discount Rate - 1%).....	5,450,319	5,006,555	4,687,452	4,137,445

Notes to Schedule:

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See accompanying independent auditor's report.

CITY OF ROCK HILL, MISSOURI
MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarial Determined Contributions.....	\$ 148,164	\$ 135,333	\$ 128,906	\$ 132,537	\$ 130,159	\$ 133,359	\$ 139,925	\$ 136,249	\$ 126,332	\$ 105,578
Actual Contributions Deposited.....	148,164	135,333	128,906	132,537	130,159	133,359	133,449	127,310	112,226	105,578
Annual Contribution Deficiency/(Excess).....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,476	\$ 8,939	\$ 14,106	\$ -
Covered Payroll.....	\$ 1,869,741	\$ 1,723,240	\$ 1,770,391	\$ 1,621,072	\$ 1,519,613	\$ 1,538,006	\$ 1,524,600	\$ 1,592,732	\$ 1,530,927	\$ 1,565,171
Contributions as a Percentage of Covered Payroll.....	7.92%	7.85%	7.28%	8.18%	8.57%	8.67%	8.75%	7.99%	7.33%	6.75%

Notes to Schedule

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method.....	Entry age normal and Modified Terminal Funding
Amortization method.....	Level percent of payroll, closed
Remaining amortization period.....	Multiple bases from 15 to 16 years
Asset valuation method.....	5 years smoothed market; 20% corridor
Inflation.....	3.25% age inflation; 2.50% price inflation
Salary increases.....	3.25% - 6.55%; including wage inflation
Investment rate of return.....	7.25%, net of investment and administrative expenses
Retirement age.....	Experience-based table of rates that are specific to the type of eligibility condition
Mortality.....	The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.
Other information.....	Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables. New assumptions adopted based on the 5-year experience study for the period March 1, 2010 through February 28, 2015.

See accompanying independent auditor's report.

CITY OF ROCK HILL, MISSOURI
UNIFORMED EMPLOYEES' PENSION PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
LAST FIVE FISCAL YEARS

	FISCAL YEAR ENDING MARCH 31,				
	2019	2018	2017	2016	2015
Total Pension Liability (TPL)					
Service Cost.....	\$ 9,834	\$ 9,819	\$ 9,804	\$ 9,815	\$ 10,075
Interest on Total Pension Liability.....	195,265	196,213	209,126	210,743	210,136
Change in Benefit Terms.....	-	-	-	-	-
Assumption Changes.....	116,235	-	-	-	423
Actuarial (Gain)/Loss.....	(26,678)	26,686	(158,829)	29,459	13,846
Benefit Payments.....	(244,308)	(247,596)	(273,297)	(276,497)	(250,752)
Net Change in Total Pension Liability.....	50,348	(14,878)	(213,196)	(26,480)	(16,272)
Total Pension Liability-April 1.....	3,170,053	3,184,931	3,398,127	3,424,607	3,440,879
Total Pension Liability-March 31.....	\$ 3,220,401	\$ 3,170,053	\$ 3,184,931	\$ 3,398,127	\$ 3,424,607
Plan Fiduciary Net Position (FNP)					
Contributions - employer.....	150,000	150,000	150,000	150,000	275,000
Net Investment Income.....	60,476	175,953	182,842	(21,283)	175,565
Benefit Payments.....	(244,308)	(247,596)	(273,297)	(276,497)	(250,752)
Administrative Expenses.....	-	-	-	-	-
Other.....	-	-	-	-	-
Net Change in Plan Fiduciary Net Position.....	(33,832)	78,357	59,545	(147,780)	199,813
Total Fiduciary Net Position-April 1.....	2,076,374	1,998,017	1,938,472	2,086,252	1,886,439
Total Fiduciary Net Position-March 31.....	\$ 2,042,542	\$ 2,076,374	\$ 1,998,017	\$ 1,938,472	\$ 2,086,252
Net Pension Liability (Asset)-March 31.....	\$ 1,177,859	\$ 1,093,679	\$ 1,186,914	\$ 1,459,655	\$ 1,338,355
Plan fiduciary net position as a percentage of the total pension liability.....	63.43%	65.50%	62.73%	57.05%	60.92%
Covered payroll.....	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990
Net pension liability as of a percentage of covered payroll.....	335.58%	311.60%	338.16%	415.87%	381.31%
Money-weighted rate of return.....	3.09%	9.07%	10.03%	-1.07%	9.27%
Sensitivity of Total Pension Liability to changes in the Discount Rate +/-1%.....					
Total Pension Liability (Discount Rate).....	3,220,401	3,170,053	3,184,931	3,398,127	3,424,607
Total Pension Liability (Discount Rate + 1%).....	2,945,436	2,908,390	2,917,231	3,115,406	3,134,935
Total Pension Liability (Discount Rate - 1%).....	3,542,319	3,474,458	3,497,242	3,728,195	3,763,878

Notes to Schedule:

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF ROCK HILL, MISSOURI
UNIFORMED EMPLOYEES' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	2019	2018	2017	2016	FISCAL YEAR ENDING MARCH 31,					2011	2010
					2015	2014	2013	2012			
Actuarial Determined Contributions.....	\$ 178,339	\$ 212,536	\$ 212,536	\$ 199,227	\$ 199,227	\$ 251,551	\$ 251,551	\$ 293,522	\$ 293,522	\$ 260,954	
Actual Contributions Deposited.....	150,000	150,000	150,000	150,000	275,000	-	210,325	216,269	280,000	142,000	
Annual Contribution Deficiency/(Excess).....	\$ 28,339	\$ 62,536	\$ 62,536	\$ 49,227	\$ (75,773)	\$ 251,551	\$ 41,226	\$ 77,253	\$ 13,522	\$ 118,954	
Covered Payroll.....	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990	\$ 478,997	\$ 478,997	\$ 490,972	\$ 490,972	\$ 520,298	
Contributions as a Percentage of Covered Payroll.....	42.74%	42.74%	42.74%	42.74%	78.35%	0.00%	43.91%	44.05%	57.03%	27.29%	

Notes to Schedule

Valuation date:

Actuarially determined contributions are calculated biennially as of May 1.

Methods and assumptions used to determine contribution rates:

The Level Dollar Aggregate Fund Method has been used to determine the annual contributions amounts for Fiscal Years 2007 through 2016.

Under this method, the Normal Cost is the normal cost per active participant multiplied by the number of active participants. The normal cost per active participant is the present value of projected benefits less the actuarial value of the assets, divided by the total present value of \$1 per year for every year of a participant's anticipated future service, determined as of the participant's attained age.

ACTUARIAL ASSUMPTIONS

Assumptions for Active Employees:

Discount rate.....	6.40%
Investment rate of return.....	6.40%
Salary increases, including inflation.....	6.50%
Inflation.....	3.00%
Mortality of Employees.....	RP-2000 Mortality Table projected to valuation date by Scale AA
Termination Rates.....	None
Disablement Rates.....	None
Retirement Age.....	100% retirement at age 60

Assumptions for Retired Employees:

Investment Return.....	6.40%
Mortality of Employees.....	RP-2000 Mortality Table projected to valuation date by Scale AA

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**OTHER SUPPLEMENTARY
INFORMATION**

NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds maintained by the City are as follows:

Police Training Fund - Used to account for police training revenues from the municipal court costs and the payment of training and travel for the police department.

NW TIF Fund – Used to account for activities of the City’s NW redevelopment area tax increment financing district.

CITY OF ROCK HILL, MISSOURI
COMBINING BALANCE SHEET-NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2019

	Police Training Fund	NW TIF Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments.....	\$ 2,675	\$ 131,363	\$ 134,038
Receivables (net):			
Property tax.....	-	282	282
Municipal taxes.....	-	612	612
TOTAL ASSETS.....	\$ 2,675	\$ 132,257	\$ 134,932
Liabilities			
Accounts payable.....	\$ 85	\$ -	\$ 85
Total Liabilities.....	85	-	85
Deferred Inflows of Resources			
Unavailable revenue-property taxes	\$ -	\$ 283	\$ 283
Total Deferred Outflows of Resources	-	283	283
Fund Balances			
Restricted for:			
Police training.....	2,590	-	2,590
Tax increment financing.....	-	131,974	131,974
Total Fund Balances	2,590	131,974	134,564
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 2,675	\$ 132,257	\$ 134,932

See accompanying independent auditor's report.

CITY OF ROCK HILL, MISSOURI
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2019

	Police Training Fund	NW TIF Fund	Total Governmental Funds
REVENUES			
Property tax.....	\$ -	\$ 26,236	\$ 26,236
Sales tax.....	-	7,763	7,763
Miscellaneous.....	6,490	-	6,490
Total Revenues.....	<u>6,490</u>	<u>33,999</u>	<u>40,489</u>
EXPENDITURES			
Current:			
Police department.....	14,545	-	14,545
Total Expenditures.....	<u>14,545</u>	<u>-</u>	<u>14,545</u>
NET CHANGE IN FUND BALANCES.....	(8,055)	33,999	25,944
FUND BALANCES, APRIL 1.....	<u>10,645</u>	<u>97,975</u>	<u>108,620</u>
FUND BALANCES, MARCH 31.....	<u>\$ 2,590</u>	<u>\$ 131,974</u>	<u>\$ 134,564</u>

See accompanying independent auditor's report.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-POLICE TRAINING FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Miscellaneous.....	\$ 11,000	\$ 11,000	\$ 6,490	\$ (4,510)
EXPENDITURES				
Current:				
Police department.....	13,915	14,545	14,545	-
NET CHANGE IN FUND BALANCE.....	<u><u>\$ (2,915)</u></u>	<u><u>\$ (3,545)</u></u>	(8,055)	<u><u>\$ (4,510)</u></u>
FUND BALANCE, APRIL 1.....			<u>10,645</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 2,590</u></u>	

See accompanying independent auditor's report.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-NW TIF FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 64,500	\$ 64,500	\$ 26,236	\$ (38,264)
Sales Tax.....	12,300	12,300	7,763	(4,537)
Total Revenues.....	<u>76,800</u>	<u>76,800</u>	<u>33,999</u>	<u>(42,801)</u>
EXPENDITURES				
Current:				
Administration.....	26,000	26,000	-	(26,000)
Debt service:.....				
Interest.....	1,500	1,500	-	(1,500)
Total Expenditures.....	<u>27,500</u>	<u>27,500</u>	<u>-</u>	<u>(27,500)</u>
NET CHANGE IN FUND BALANCE.....	<u><u>\$ 49,300</u></u>	<u><u>\$ 49,300</u></u>	33,999	<u><u>\$ (15,301)</u></u>
FUND BALANCE, APRIL 1.....			<u>97,975</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 131,974</u></u>	

See accompanying independent auditor's report.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-DEBT SERVICE FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 825,500	\$ 825,500	\$ 782,552	\$ (42,948)
Miscellaneous.....	500	500	-	(500)
Total Revenues.....	<u>826,000</u>	<u>826,000</u>	<u>782,552</u>	<u>(43,448)</u>
EXPENDITURES				
Debt service:				
Principal.....	485,000	485,000	485,000	-
Interest and fiscal charges.....	300,950	301,950	301,737	(213)
Total Expenditures.....	<u>785,950</u>	<u>786,950</u>	<u>786,737</u>	<u>(213)</u>
REVENUES OVER(UNDER)				
EXPENDITURES	<u>40,050</u>	<u>39,050</u>	<u>(4,185)</u>	<u>(43,235)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	282	282
Total Other Financing Sources (Uses).....	<u>-</u>	<u>-</u>	<u>282</u>	<u>282</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 40,050</u>	<u>\$ 39,050</u>	<u>(3,903)</u>	<u>\$ (42,953)</u>
FUND BALANCE, APRIL 1.....			<u>414,915</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 411,012</u>	

See accompanying independent auditor's report.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-GENERAL CAPITAL PROJECTS FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Sales tax - capital improvement.....	\$ 373,600	\$ 373,600	\$ 336,854	\$ (36,746)
Intergovernmental:				
Grant income.....	27,000	27,000	20,322	(6,678)
Investment income.....	750	750	13,391	12,641
Miscellaneous revenue.....	1,000	1,000	-	(1,000)
Total Revenues.....	<u>402,350</u>	<u>402,350</u>	<u>370,567</u>	<u>(31,783)</u>
EXPENDITURES				
Administration.....	223,920	223,920	213,229	(10,691)
Capital outlay.....	1,145,200	2,999,210	2,923,014	(76,196)
Total Expenditures.....	<u>1,369,120</u>	<u>3,223,130</u>	<u>3,136,243</u>	<u>(86,887)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>(966,770)</u>	<u>(2,820,780)</u>	<u>(2,765,676)</u>	<u>55,104</u>
OTHER FINANCING SOURCES (USES)				
Transfer in.....	258,000	258,000	258,000	-
Transfer out.....	-	-	(282)	(282)
Sale of capital assets.....	2,500	2,500	1,806	(694)
Total Other Financing Sources (Uses).....	<u>260,500</u>	<u>260,500</u>	<u>259,524</u>	<u>(976)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ (706,270)</u>	<u>\$ (2,560,280)</u>	<u>(2,506,152)</u>	<u>\$ 54,128</u>
FUND BALANCE, APRIL 1.....			<u>2,695,507</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 189,355</u>	

See accompanying independent auditor's report.

CITY OF ROCK HILL, MISSOURI
SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL-INFRASTRUCTURE CAPITAL PROJECTS FUND
FOR THE YEAR ENDED MARCH 31, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
REVENUES				
Intergovernmental:				
Gasoline tax.....	\$ 125,000	\$ 125,000	\$ 124,387	\$ (613)
Motor vehicle tax.....	63,000	63,000	61,112	(1,888)
Road and bridge.....	110,000	110,000	97,776	(12,224)
Total Revenues.....	<u>364,586</u>	<u>364,586</u>	<u>333,058</u>	<u>(31,528)</u>
EXPENDITURES				
Capital outlay.....	<u>437,030</u>	<u>437,030</u>	<u>282,541</u>	<u>(154,489)</u>
Total Expenditures.....	<u>437,030</u>	<u>437,030</u>	<u>282,541</u>	<u>(154,489)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>(72,444)</u>	<u>(72,444)</u>	<u>50,517</u>	<u>122,961</u>
OTHER FINANCING SOURCES (USES)				
Transfer in.....	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
Total Other Financing Sources (Uses).....	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 102,556</u>	<u>\$ 102,556</u>	<u>225,517</u>	<u>\$ 122,961</u>
FUND BALANCE, APRIL 1.....			<u>267,752</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 493,269</u>	

See accompanying independent auditor's report.

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FIDUCIARY FUND TYPES

Fiduciary funds are 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 other funds.

Trust and Agency Funds

Trust and agency funds include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. Agency funds are accounted for and reported similar to governmental funds. The trust and agency funds maintained by the City are as follows:

Agency Funds – Used to account for municipal court collections for bail bonds.

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CITY OF ROCK HILL, MISSOURI
STATEMENT OF
CHANGES IN ASSETS AND LIABILITIES-AGENCY FUND
FOR THE YEAR ENDED MARCH 31, 2019

	Balance March 31, 2018	Additions	Deductions	Balance March 31, 2019
COURT BONDS				
ASSETS				
Cash - restricted.....	\$ 4,310	\$ 11,725	\$ 12,955	\$ 3,080
Liabilities				
Deposits payable.....	\$ 4,310	\$ 11,725	\$ 12,955	\$ 3,080

See accompanying independent auditor's report.

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**City of
Rock Hill**

Statistical Section

CITY OF ROCK HILL, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION

This part of the City of Rock Hill'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.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	75
Revenue Capacity These schedules contain to help the reader assess the City's most significant local revenue sources.	82
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	87
Demographic and Economic These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	92
Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	95

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

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CITY OF ROCK HILL, MISSOURI
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	For The Years Ended March 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
		Restated	Restated		Restated	Restated		Restated		
Governmental Activities										
Net investment in capital assets.....	\$ 9,592,045	\$ 9,863,313	\$ 7,739,703	\$ 6,040,314	\$ 5,145,780	\$ 5,143,471	\$ 4,840,917	\$ 4,208,402	\$ 2,457,784	\$ 2,054,591
Restricted.....	3,846,306	3,137,834	2,912,080	7,281,433	2,676,982	2,437,373	2,209,690	5,196,270	1,623,477	1,049,064
Unrestricted (deficit).....	(23,790,043)	(24,093,536)	(22,658,213)	(26,495,439)	(20,478,430)	(20,863,671)	(18,774,601)	(21,271,210)	(13,415,543)	(12,691,709)
Total Governmental Activities Net Position.....	<u>\$ (10,351,692)</u>	<u>\$ (11,092,389)</u>	<u>\$ (12,006,430)</u>	<u>\$ (13,173,692)</u>	<u>\$ (12,655,668)</u>	<u>\$ (13,282,827)</u>	<u>\$ (11,723,994)</u>	<u>\$ (11,866,538)</u>	<u>\$ (9,334,282)</u>	<u>\$ (9,588,054)</u>

Source: Basic Financial Statements

GASB 65 was implemented in 2013

GASB 67 and 68 was implemented in 2015

CITY OF ROCK HILL, MISSOURI
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	For The Years Ended March 31,											
	2018		2017		2016		2015		2014		2012	
	2019	Restated	2017	2016	Restated	Restated	2013	Restated	2011	2010		
EXPENSES												
Administration.....	\$ 1,093,594	\$ 1,051,998	\$ 930,244	\$ 789,683	\$ 749,246	\$ 1,763,689	\$ 841,141	\$ 897,961	\$ 1,032,427	\$ 707,580		
Fire department.....	995,953	980,303	1,064,999	978,252	988,973	1,075,281	970,839	894,295	800,864	833,474		
Housing department.....	20,404	16,515	19,348	22,425	45,168	49,795	35,535	75,067	85,105	84,045		
Municipal court.....	147,198	148,024	153,314	159,665	156,804	158,376	144,443	124,764	122,836	152,125		
Parks and recreation.....	254,751	244,347	235,426	242,355	231,874	146,359	136,525	126,532	130,224	118,781		
Police department.....	903,262	945,627	1,060,747	959,073	1,002,792	963,025	969,445	939,677	864,021	857,755		
Public works.....	873,805	863,473	725,860	745,081	674,002	785,776	720,896	605,242	626,795	543,215		
Economic development.....	-	-	-	-	-	-	25,982	3,545,333	-	-		
Interest on long-term debt and fiscal charges.....	1,729,498	1,800,626	1,807,321	2,951,941	1,495,317	2,000,744	1,527,335	1,513,982	1,265,037	1,254,762		
Total Expenses.....	6,018,465	6,050,913	5,997,259	6,848,475	5,344,176	6,943,045	5,372,141	8,722,853	4,927,309	4,551,737		
PROGRAM REVENUES												
Charges for services: ^a												
Administration.....	234,882	231,618	249,341	218,260	218,092	231,516	193,375	184,877	208,906	218,618		
Municipal court.....	195,576	373,712	422,021	439,518	547,833	525,694	-	-	-	-		
Parks and recreation.....	3,873	6,760	5,529	7,986	11,351	10,453	9,823	10,571	7,612	9,491		
Police department.....	6,581	9,493	12,274	17,050	15,685	14,650	660,923	424,683	436,811	446,940		
Public works.....	-	-	-	-	-	-	54,471	54,516	55,754	55,883		
Operating grants and contributions.....	345,177	356,030	371,257	364,094	332,642	333,694	273,754	283,439	287,645	282,792		
Capital grants and contributions.....	106,094	312,201	305,839	520,393	57,602	117,479	403,918	983,179	-	238,391		
Total Program Revenues.....	892,183	1,289,814	1,366,261	1,567,301	1,183,205	1,233,486	1,596,264	1,941,265	996,728	1,252,115		
NET REVENUES (EXPENSES).....												
	(5,126,282)	(4,761,099)	(4,630,998)	(5,281,174)	(4,160,971)	(5,709,559)	(3,775,877)	(6,781,588)	(3,930,581)	(3,299,622)		

CITY OF ROCK HILL, MISSOURI
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	For The Years Ended March 31,					
	2019	2018	2017	2016	2015	2012
		Restated			Restated	Restated
						2010
GENERAL REVENUES AND OTHER						
CHANGES IN NET POSITION						
Taxes: ^b						
Property	1,170,341	1,049,007	1,231,946	658,471	643,538	1,096,846
Sales	2,068,114	2,023,605	2,013,816	1,954,075	1,833,211	1,366,855
TIF revenues	1,692,185	1,670,695	1,666,094	1,263,935	654,075	1,874,108
Utility gross receipts	775,326	761,382	741,534	720,777	777,392	-
Other taxes	83,766	86,626	92,136	97,496	96,843	833,792
Investment income	47,036	33,942	8,337	11,006	14,899	22,705
Other revenues	28,405	49,883	43,750	43,541	50,404	24,105
Gain on sale of capital assets	1,806	-	647	13,849	210	55,941
Decrease in net pension liability	-	-	-	-	216,085	6,847
						-
Total General Revenues	5,866,979	5,675,140	5,798,260	4,763,150	4,286,657	4,249,332
						4,184,353
PRIOR PERIOD ADJUSTMENT	-	-	-	-	501,473	-
CHANGES IN NET POSITION	\$ 740,697	\$ 914,041	\$ 1,167,262	\$ (518,024)	\$ 627,159	\$ (2,532,256)
						\$ 253,772
						\$ 775,752

Source: Basic Financial Statements

NOTES:

^aEffective FY2014 court fines and cost are being reported as a Municipal Court program revenue. Past fiscal years court fines and cost were reported as a Police program revenue.

^bEffective FY2014, general revenues are reported in greater detail: 1) Property and sales taxes are now defined by purpose of the levy; 2) Franchise fees were removed from the category Utility to be reported individually; 3) TIF revenues were removed from the categories of property and sales taxes to be reported individually and 4) Cigarette taxes were removed from the category Other to be reported individually. The change in presentation was done to provide more detail information for the Board of Aldermen and other financial users.

CITY OF ROCK HILL, MISSOURI
PROGRAM REVENUES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

	For the Years Ended March 31,									
FUNCTIONS/PROGRAMS	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Administration.....	\$ 239,292	\$ 231,618	\$ 260,082	\$ 225,059	\$ 218,092	\$ 231,516	\$ 193,375	\$ 184,877	\$ 214,615	\$ 218,618
Fire department.....	33,051	-	-	15,000	-	700	-	237,500	-	61,682
Municipal court.....	195,576	373,712	422,021	439,518	547,833	525,694	-	-	-	-
Parks and recreation.....	3,873	318,961	5,529	14,386	11,351	17,354	136,373	33,971	7,612	9,491
Police department.....	25,431	10,493	12,274	17,050	42,281	20,302	664,842	434,419	438,010	456,909
Public works.....	394,960	355,030	666,355	856,288	363,648	437,920	601,674	1,050,498	336,491	505,415
Total Governmental Activities....	\$ 892,183	\$ 1,289,814	\$ 1,366,261	\$ 1,567,301	\$ 1,183,205	\$ 1,233,486	\$ 1,596,264	\$ 1,941,265	\$ 996,728	\$ 1,252,115

Source: Basic Financial Statements

CITY OF ROCK HILL, MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	For The Years Ended March 31,									
	2019	2018	2017	2016	2015	2014	2013	2012 Restated	2011	2010
General Fund										
Nonspendable.....	\$ 30,933	\$ 34,200	\$ 58,867	\$ 77,630	\$ 112,448	\$ 135,414	\$ 132,688	\$ 139,114	\$ -	\$ -
Restricted.....	-	-	-	-	-	497,012	330,027	105,189	-	-
Assigned - Subsequent year's budget....	-	-	-	-	-	28,616	-	195,647	-	-
Unassigned.....	1,108,030	1,696,908	1,777,910	1,824,109	1,775,668	1,627,117	1,684,658	1,737,329	-	-
Reserved.....	-	-	-	-	-	-	-	-	-	6,375
Unreserved.....	-	-	-	-	-	-	-	-	2,421,465	2,526,544
Total General Fund.....	\$ 1,138,963	\$ 1,731,108	\$ 1,836,777	\$ 1,901,739	\$ 1,888,116	\$ 2,288,159	\$ 2,147,373	\$ 2,177,279	\$ 2,421,465	\$ 2,532,919
All other governmental funds										
Restricted for:										
Capital projects.....	\$ 682,624	\$ 2,963,259	\$ 6,719,220	\$ 1,161,925	\$ 1,625,836	\$ 1,852,384	\$ 2,407,988	\$ 3,512,985	\$ -	\$ -
Debt service.....	411,012	414,915	347,636	274,187	254,701	303,188	373,795	434,858	-	-
Law enforcement.....	-	-	-	2,555	-	3,868	8,034	-	-	-
Parks and stormwater.....	205,419	193,300	373,128	438,755	392,257	-	-	-	-	-
Police training.....	2,590	10,645	9,204	6,456	16,356	15,092	12,223	4,605	-	-
Sewer Lateral.....	25,664	30,057	29,410	11,093	32,763	11,741	4,084	22,043	-	-
Tax Increment Financing.....	2,544,004	2,513,158	2,775,228	2,677,208	972,413	1,026,833	1,081,487	1,116,590	-	-
Reserved.....	-	-	-	-	-	-	-	-	87,223	87,342
Unreserved, reported in:										
Capital Projects Funds.....	-	-	-	-	-	-	-	-	317,198	(41,346)
Special Revenue Funds.....	-	-	-	-	-	-	-	-	1,524,415	1,309,809
Total All Other Governmental Funds.....	\$ 3,871,313	\$ 6,125,334	\$ 10,253,826	\$ 4,572,179	\$ 3,294,326	\$ 3,213,106	\$ 3,887,611	\$ 5,091,081	\$ 1,928,836	\$ 1,355,805

Source: Basic Financial Statements

NOTES: GASB 54 was implemented in 2012.

CITY OF ROCK HILL, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	For The Years Ended March 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES:										
Property taxes.....	\$ 1,685,055	\$ 1,813,467	\$ 1,596,209	\$ 1,227,325	\$ 860,002	\$ 1,056,616	\$ 1,091,603	\$ 1,155,633	\$ 1,368,825	\$ 1,295,109
Gross receipts taxes.....	836,361	825,303	810,965	795,567	851,530	877,088	861,544	849,723	833,792	914,252
Sales tax.....	3,136,147	3,075,486	3,150,206	2,697,840	2,217,492	2,158,184	1,983,516	2,200,157	1,874,108	1,824,338
Licenses, permits, fines and fees.....	430,955	603,723	673,085	673,462	760,854	772,181	819,150	600,294	636,952	661,038
Intergovernmental.....	376,110	316,647	638,863	823,715	352,051	295,796	690,358	1,256,402	303,442	303,975
Investment income.....	47,036	33,943	8,337	10,453	26,240	26,285	26,345	26,621	24,105	19,033
Miscellaneous.....	103,699	440,424	122,490	135,355	127,286	222,095	109,746	126,758	129,932	336,483
Total Revenues.....	6,615,363	7,108,993	7,000,155	6,363,717	5,195,455	5,408,245	5,582,262	6,215,588	5,171,156	5,354,228
EXPENDITURES:										
Administration.....	843,579	994,559	867,205	752,510	735,528	676,900	785,039	807,756	900,424	696,273
Fire department.....	1,028,871	985,779	972,092	930,687	891,390	867,379	866,722	818,660	792,533	819,402
Housing department.....	20,404	16,515	20,422	22,995	44,851	48,673	35,205	79,631	85,522	82,790
Municipal court.....	146,989	146,007	150,564	158,064	154,698	166,321	141,896	123,489	117,830	155,965
Parks and recreation.....	218,014	220,922	210,662	207,170	206,517	117,095	122,187	115,751	119,522	111,847
Police department.....	1,052,906	1,013,137	982,930	957,421	920,900	938,699	970,295	910,874	852,300	849,745
Public works.....	396,450	429,934	400,192	378,221	387,787	461,299	523,286	459,138	442,792	419,425
Economic development.....	-	-	-	-	-	-	25,982	3,545,333	-	-
Capital outlay.....	3,284,685	5,150,293	2,183,684	1,719,077	1,059,894	1,410,542	2,105,651	2,126,698	297,412	832,718
Debt service:										
Principal.....	1,505,000	1,370,000	1,245,000	236,784	238,276	247,985	414,959	674,478	258,914	163,923
Interest.....	966,437	1,032,788	932,938	4,706,650	874,647	1,007,431	836,458	4,822,514	682,677	824,821
General obligation bonds issuance cost.....	-	79,229	110,621	-	-	-	-	-	-	-
Total Expenditures.....	9,463,335	11,439,163	8,076,310	10,069,579	5,514,488	5,942,324	6,827,680	14,484,322	4,549,926	4,956,909
REVENUES OVER (UNDER) EXPENDITURES.....	(2,847,972)	(4,330,170)	(1,076,155)	(3,705,862)	(319,033)	(534,079)	(1,245,418)	(8,268,734)	621,230	397,319
OTHER FINANCING SOURCES (USES)										
Transfers in.....	433,282	580,000	275,000	175,020	1,130,276	33,455	-	-	-	141,221
Transfers out.....	(433,282)	(580,000)	(275,000)	(175,020)	(1,130,276)	(33,455)	-	-	-	(141,221)
Sale of capital assets.....	1,806	16,780	646	13,849	210	361	8,000	12,143	10,347	1,315
Bond issuance costs.....	-	-	-	(713,263)	-	-	-	(77,176)	(43,834)	-
Payment to refunded bond escrow agent.....	-	(3,202,675)	-	(18,812,199)	-	-	-	-	(170,000)	-
Issuance of long-term debt.....	-	3,079,974	6,100,000	24,508,951	-	-	-	22,757,037	1,750,000	-
Refunding of long-term debt.....	-	-	-	-	-	-	-	(11,600,000)	(1,752,194)	-
Premium of long-term debt.....	-	201,930	592,194	-	-	-	-	74,209	46,028	-
Total Other Financing Sources (Uses).....	1,806	96,009	6,692,840	4,997,338	210	361	8,000	11,166,213	(159,653)	1,315
NET CHANGES IN FUND BALANCES.....	\$(2,846,166)	\$(4,234,161)	\$ 5,616,685	\$ 1,291,476	\$ (318,823)	\$ (533,718)	\$(1,237,418)	\$ 2,897,479	\$ 461,577	\$ 398,634
Debt service as a percentage of noncapital expenditures.....	38.0%	37.6%	36.5%	58.1%	24.2%	26.3%	26.0%	44.8%	25.6%	24.0%

Source: Basic Financial Statements

CITY OF ROCK HILL, MISSOURI
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

For The Years Ended March 31,	Property Tax	Sales Tax	Gross Receipts Taxes	Other	Total
2019	\$ 1,685,055	\$ 3,136,147	\$ 836,361	\$ 376,110	\$ 6,033,673
2018	1,813,467	3,075,486	825,303	316,647	6,030,903
2017	1,596,209	3,150,206	810,965	638,863	6,196,243
2016	1,227,325	2,697,840	795,567	823,715	5,544,447
2015	860,002	2,217,492	851,530	352,051	4,281,075
2014	1,056,616	2,158,184	877,088	295,796	4,387,684
2013	1,091,603	1,983,516	861,544	690,358	4,627,021
2012	1,155,633	2,200,157	849,723	1,256,402	5,461,915
2011	1,368,825	1,874,108	833,792	303,442	4,380,167
2010	1,295,109	1,824,338	914,252	303,975	4,337,674

Source: Basic Financial Statements

CITY OF ROCK HILL, MISSOURI
ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

For The Years Ended December 31,	Residential Real Property	Commercial Real Property	Personal Property	Total Assessed Value	Total Direct Tax	Estimated Actual Value
2018	\$ 70,218,580	\$ 35,407,611	\$ 13,425,466	\$ 119,051,657	1.065 *	\$ 520,500,684
2017	69,594,330	34,997,643	13,931,112	118,523,085	1.088 *	517,451,097
2016	64,089,140	30,835,632	13,571,681	108,496,453	1.089 *	474,391,728
2015	63,757,460	29,649,703	12,490,838	105,898,001	0.673 *	465,697,162
2014	61,666,940	27,653,768	12,232,848	101,553,556	0.669 *	447,683,081
2013	61,726,670	29,035,621	12,075,586	102,837,877	0.668 *	451,843,907
2012	61,525,190	26,849,342	11,587,164	99,961,696	0.681 *	442,485,952
2011	61,950,700	26,313,520	10,307,790	98,572,010	0.658 *	439,212,528
2010	61,755,690	27,140,590	11,341,980	100,238,260	0.719 *	443,873,634
2009	61,737,790	26,987,790	12,156,200	100,881,780	0.380 *	445,744,828

Source: St. Louis County Assessor

*Commencing in 2003, Missouri State Law required the City to calculate a separate tax rate for residential real estate, agricultural real estate, commercial real estate, and personal property. The tax rate stated above for each year 2009 through 2019 reflects a re-blended rate for the various types of taxable property.

CITY OF ROCK HILL, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS^a
LAST TEN CALENDAR YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
City of Rock Hill Direct Rates:										
General Fund.....	0.2700	0.2825	0.2938	0.2926	0.2890	0.2880	0.3010	0.2780	0.3390	0.2550
Debt Service.....	0.7950	0.8050	0.7950	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
Overlapping governments:										
State of Missouri.....	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Roads and Bridges.....	0.0980	0.0980	0.1030	0.1030	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
St. Louis County.....	0.3910	0.3910	0.4120	0.4120	0.4180	0.4180	0.4180	0.4180	0.4180	0.4180
St. Louis Community College.....	0.2129	0.2112	0.2176	0.2176	0.2200	0.2200	0.2200	0.2200	0.2179	0.2136
Special School District.....	1.1980	1.1912	1.2348	1.2348	1.2609	1.2400	0.1012	1.0125	0.9950	0.9384
Metro Zoo.....	0.2724	0.2694	0.2777	0.2777	0.2797	0.2797	0.2684	0.2671	0.2546	0.2493
Sheltered Workshop.....	0.0840	0.0840	0.0880	0.0880	0.0900	0.0890	0.0840	0.0840	0.0790	0.0740
Rock Hill Library.....	0.2710	0.2700	0.2820	0.2820	0.2910	0.2900	0.2850	0.2700	0.2670	0.2590
Metro Sewer District*	0.1170	0.1159	0.0876	0.0876	0.0879	0.0874	0.0635	0.0818	0.0790	-
Deer Creek Sewer*	-	-	0.0830	0.0830	0.0860	0.0860	0.0840	0.0840	0.0810	-
Webster Groves School District.....	5.3654	5.3253	5.6722	5.6722	5.8584	5.8576	5.7588	5.7555	5.5775	4.8612

Source: St. Louis County Collector (rates stated per \$100 assessed valuation)

^a Property tax rates reported in this schedule are the residential property tax rates.

*Effective with 2008, all Metropolitan St. Louis Sewer District (MSD) district-wide and sub-district taxes have been reduced to zero. This is due to the implementation of the new impervious area stormwater rate.

CITY OF ROCK HILL, MISSOURI

PRINCIPAL TAXPAYERS

CURRENT CALENDAR YEAR AND NINE YEARS AGO

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Market at McKnight (Novus).....	\$ 7,377,330	1	6.20%	\$ 2,164,280	2	2.15%
Missouri American Water Co.....	3,119,890	2	2.62%	1,122,880	7	1.11%
Stanford Court Apartments, LLC.....	2,294,130	3	1.93%	1,612,150	3	1.60%
EZ Storage Rock Hill LLC.....	1,720,580	4	1.45%			-
Novus Crestwood LLC.....	1,560,290	5	1.31%			-
CS3 BP Associates LLC.....	1,155,300	6	0.97%			-
Dan L Sheils LLC.....	785,280	7	0.66%			-
Refrigeration Supplies Inc.....	778,870	8	0.65%			-
Missouri CVS Pharmacy LLC.....	756,740	9	0.64%			-
Rock Hill Partnership.....	724,100	10	0.61%			-
Keebler Crossing Inc.....	-		-	2,920,830	1	2.90%
McKnight Development LLC.....	-		-	1,536,860	4	1.52%
Eighteen Investments.....	-		-	1,443,680	5	1.43%
Novus Holdings LLC ETAL.....	-		-	1,229,440	6	1.22%
Colonial Square Associates.....	-		-	1,089,120	8	1.08%
GBC Enterprises, LLC.....	-		-	926,450	9	0.92%
AmerenUE.....	-		-	908,276	10	0.90%
	\$ 20,272,510		17.04%	\$ 14,953,966		14.83%

Source: St. Louis County Assessor

CITY OF ROCK HILL, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy Year	Net Tax Levy	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent of Levy	Outstanding Delinquent Taxes^a	Outstanding Delinquent Taxes As of Levy
2019	2018	\$ 1,207,354	\$ 976,986	80.92%	\$ -	\$ 976,986	80.92%	\$ 164,294	13.61%
2018	2017	1,211,907	926,287	76.43%	239,017	1,165,304	96.15%	16,783	1.38%
2017	2016	1,117,107	910,263	81.48%	156,032	1,066,295	95.45%	12,051	1.08%
2016	2015	674,586	559,612	82.96%	92,571	652,183	96.68%	2,337	0.35%
2015	2014	662,669	570,141	86.04%	82,444	652,585	98.48%	1,692	0.26%
2014	2013	666,551	547,842	82.19%	92,053	639,895	96.00%	-	0.00%
2013	2012	643,595	501,623	77.94%	67,969	569,592	88.50%	-	0.00%
2012	2011	606,765	519,970	85.70%	85,842	605,812	99.84%	113	0.02%
2011	2010	607,736	500,923	82.42%	100,907	601,830	99.03%	-	0.00%
2010	2009	604,250	500,832	82.88%	98,935	599,767	99.26%	-	0.00%

Source: St. Louis County Collector's office.

^a As of March 31, 2019

CITY OF ROCK HILL, MISSOURI
SALES TAX REVENUES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

For The Years Ended March 31,	Regular Sales Tax	Capital Improvement	Stormwater and Parks	Fire Protection	County			Transportation Development District	Community Improvement District	Total
					Public Safety	Sales Tax				
2019	\$ 1,204,111	\$ 428,773	\$ 476,533	\$ 238,265	\$ 252,999	\$	265,217	\$ 270,249	\$ 3,136,147	
2018	1,259,259	444,728	497,198	248,600	117,901		250,903	256,897	3,075,486	
2017	1,340,427	475,622	527,637	263,424	-		270,706	272,390	3,150,206	
2016	1,289,111	416,066	485,309	243,049	-		205,813	58,492	2,697,840	
2015	1,057,857	385,139	433,693	216,847	-		123,956	-	2,217,492	
2014	1,000,445	370,397	414,038	207,020	-		166,284	-	2,158,184	
2013	966,890	345,855	382,967	191,677	-		96,127	-	1,983,516	
2012	951,598	358,375	395,955	198,084	-		296,145	-	2,200,157	
2011	950,050	348,880	383,407	191,771	-		-	-	1,874,108	
2010	986,739	304,262	355,055	178,282	-		-	-	1,824,338	

Source: Basic Financial Statements

The sales tax rate in the City is 8.425%, which includes 4.225% for the State of Missouri, 1.7% for St. Louis County, and 2.5% as the City's direct rate which is detailed above.

Given the limited number of businesses, it would not be possible to break out sales tax information on industries because of the confidentiality of individual businesses.

CITY OF ROCK HILL, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

For The Years Ended March 31,	Governmental Activities							Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	Tax			Tax						
	General Obligation Bonds	Increment Revenue Bonds	Increment Revenue Notes	Capital Leases	Capital Leases	Capital Leases				
2019	\$ 9,737,177	\$ 13,471,788	\$ 8,337,701	\$ -	-	-	\$ 31,546,666	18.0%	\$ 6,822	
2018	10,297,348	14,482,850	8,337,701	-	-	-	33,117,899	19.0%	7,156	
2017	10,634,605	15,373,912	8,337,701	-	-	-	34,346,218	21.7%	7,405	
2016	4,415,675	16,174,974	8,337,701	-	-	-	28,928,350	19.8%	6,231	
2015	4,643,570	-	18,812,199	16,783	16,783	16,783	23,472,552	16.0%	5,064	
2014	4,866,465	-	18,812,199	40,060	40,060	40,060	23,718,724	16.2%	5,117	
2013	5,084,360	-	18,812,199	78,044	78,044	78,044	23,974,603	16.7%	5,173	
2012	5,188,739	173,400	18,812,199	114,603	114,603	114,603	24,288,941	17.3%	5,240	
2011	1,787,405	310,100	11,600,000	27,543	27,543	27,543	13,725,048	11.6%	2,961	
2010	2,075,000	373,200	11,600,000	63,357	63,357	63,357	14,111,557	11.9%	3,082	

Source: Basic Financial Statements

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

^a See Demographics and Economic Statistics Table.

CITY OF ROCK HILL, MISSOURI
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

For The Years Ended March 31,	General Obligation Bonds, Net^a	Percentage of Estimated Actual Value of Property^b	Per Capita^c
2019	\$ 9,351,172	1.8%	\$ 2,022
2018	9,906,674	1.9%	2,141
2017	10,289,999	2.2%	2,219
2016	4,140,561	0.9%	892
2015	4,388,591	1.0%	947
2014	5,563,277	1.2%	1,200
2013	4,710,565	1.1%	1,016
2012	4,753,881	1.1%	1,026
2011	1,700,182	0.4%	367
2010	1,987,658	0.5%	434

Source: Basic Financial Statements

Note: Details regarding the City's outstanding debt can be found in the notes to financial statement.

^a General obligation bonds are presented net of restricted net position for debt services for fiscal years 2010 - 2018.

^b See Assessed and Estimated Actual Value of Taxable Property Table.

^c See Demographics and Economic Statistics Table.

CITY OF ROCK HILL, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	March 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit.....	\$ 11,905,166	\$ 11,852,309	\$ 10,849,645	\$ 10,589,800	\$ 10,155,356	\$ 10,283,788	\$ 9,996,170	\$ 9,857,201	\$ 10,023,826	\$ 10,088,178
Net debt applicable to debt limit.....	9,044,974	9,529,974	10,000,000	4,335,000	4,555,000	4,770,000	4,980,000	5,185,000	1,725,000	2,075,000
Legal Debt Margin.....	\$ 2,860,192	\$ 2,322,335	\$ 849,645	\$ 6,254,800	\$ 5,600,356	\$ 5,513,788	\$ 5,016,170	\$ 4,672,201	\$ 8,298,826	\$ 8,013,178
Legal debt margin as a percentage of the debt limit.....	75.98%	80.41%	92.17%	40.94%	44.85%	46.38%	49.82%	52.60%	17.21%	20.57%

Source: Basic Financial Statements

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

CITY OF ROCK HILL, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF MARCH 31, 2019

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
St. Louis County.....	\$ 87,375,000	0.5%	\$ 436,875
Webster Groves School District.....	59,529,000	17.0%	10,119,930
Subtotal, Overlapping Debt.....	146,904,000		10,556,805
City of Rock Hill			
General obligation bonds.....	\$ 9,737,177	100.0%	\$ 9,737,177
Tax increment financing bonds and notes....	21,809,489	100.0%	21,809,489
Subtotal, Direct Debt.....	31,546,666		31,546,666
Total Direct And Overlapping Debt.....	<u>\$ 178,450,666</u>		<u>\$ 42,103,471</u>

Source: Information was obtained by contacting the Taxing Jurisdiction and the St. Louis County Collector's office. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

CITY OF ROCK HILL, MISSOURI
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Tax Increment Financing Revenue Bonds and Notes

For The Years Ended March 31,	Property Tax	Sales Tax	Investment Income	Less		Principal	Interest	Coverage ^a
				Operating Expenditures	Net Available Revenues			
2019	\$ 598,823	\$1,060,269	\$ 22,454	\$ -	\$ 1,681,546	\$ 1,020,000	\$ 656,731	100.29%
2018	599,349	1,041,952	6,016	-	1,647,317	900,000	690,444	103.58%
2017	493,010	1,121,079	217	-	1,614,306	810,000	647,144	110.79%
2016 ^b	450,079	735,851	1,024	2,118	1,184,836	-	4,538,463	26.11%
2015	265,475	379,909	13	7,105	638,292	-	701,115	91.04%
2014	376,433	381,156	8	4,027	753,570	-	825,648	91.27%
2013	427,518	317,089	29	7,144	737,492	173,400	653,310	89.21%
2012	535,204	538,782	33	9,948	1,064,071	437,096	709,687	92.79%
2011	544,651	315,675	26	37,487	822,865	63,100	616,286	121.12%
2010	682,873	180,381	31	3,602	859,683	-	718,685	119.62%

Source: Basic Financial Statements

^a Coverage made with funds from previous years used for principal and interest payments.

^b The City refunded TIF notes Series A & B during FY2016. Part of the proceeds from the refunding paid interest of \$3,875,502 which is included in this schedule.

CITY OF ROCK HILL, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

For The Years Ended March 31,	Population ^a	Median Household Income ^b	Personal Income ^a	Per Capita Income ^a	Webster Groves School District Enrollment	Unemployment Rate ^b
2019	4,624	\$ 66,311	\$ 175,134,000	\$ 37,875	4,486	3.6
2018	4,628	64,306	174,428,996	40,869	4,708	3.9
2017	4,638	58,510	158,202,800	32,956	4,441	5.9
2016	4,643	53,842	146,498,445	31,805	4,419	4.3
2015	4,635	52,652	146,498,445	31,607	4,706	5.6
2014	4,635	53,144	146,498,445	31,607	4,578	7.7
2013	4,635	56,827	143,615,475	30,985	4,327	7.3
2012	4,635	58,232	140,694,400	30,263	4,508	7.4
2011	4,635	47,869	117,886,104	25,803	4,248	9.4
2010	4,579	47,869	118,151,937	25,803	4,175	9.6

^a **Source:** City-Data Com

^b **Source:** U.S. Bureau of Census

CITY OF ROCK HILL, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2019		2010	
	Employees	Rank	Employees	Rank
Woodward Cleaning & Restoration, Inc.....	125	1	125	1
ARCO/Murray Corporate Services, Inc.....	117	2		
Webster Groves School District.....	104	3		
Lucky's Market.....	72	4		
W. Schiller & Co., Inc.....	63	5	75	3
Millman Lumber Co.....	60	6	59	5
Stein Mart.....	60	6	50	6
Hacienda Mexican Restaurant.....	45	8	98	2
RSI Kitchen and Bath.....	43	9	61	4
City of Rock Hill.....	33	10	32	8
Walgreens.....			33	7
Bandana's BBQ.....			28	9
Froesel Tire Service Company.....			24	10
	<u>722</u>		<u>585</u>	

Source: The above named companies

Note:

Percentage of total city employment column has been omitted for both 2019 and 2010 because accurate information is unavailable

CITY OF ROCK HILL, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	Full-Time Equivalent Employees As Of March 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government:										
Administration.....	3	2	3	2	2	2	2	3	3	3
Fire department.....	10	10	10	10	10	9.5	9	10	10	10
Housing department.....	1	1	1	1	1	1	1	1	1	1
Municipal court.....	2	2	2	2	2	2	2	1	1	1
Parks and recreation.....	1	1	1	1	1	1	1	1	1	1
Police department.....	12	12	11	13	11.8	11.5	12	10	10	10
Public works.....	6	6	6	6	6	6	6	5	5	5

Source: City payroll records

CITY OF ROCK HILL, MISSOURI
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	As Of March 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Police department:										
Average number of calls per month.....	470	461	430	457	443	450	436	400	497	477
Average number of arrests per month.....	15	21	20	22	27	25	27	40	23	20
Number of crime incidences reported.....	1194	1075	1098	1055	1043	517	468	540	532	420
Fire department:										
Average number of fire calls per month.....	94	86	87	75	87	80	76	75	84	76
Housing/building inspections:										
Number of permits:										
Building (decks, porches, roofs, garages)	24	27	21	25	10	13	17	19	25	22
Driveways.....	10	9	12	4	3	7	4	15	6	12
Fences.....	44	29	21	34	29	26	9	24	20	17
Residential.....	78	388	242	169	203	197	98	148	151	172
Commercial.....	2	109	80	14	86	88	45	78	59	83
Cost of construction ^a :										
Building (decks, porches, roofs, garages)	\$ 78,256	\$ 133,900	\$ 123,400	\$ 121,300	\$ 70,344	\$ 54,000	\$ 150,984	\$ 85,350	\$ 155,915	\$ 183,521
Driveways.....	\$ 42,135	\$ 5,723	\$ 74,600	\$ 27,000	\$ 45,500	\$ 40,500	\$ 17,713	\$ 73,600	\$ 25,778	\$ 41,965
Fences.....	\$ 256,021	\$ 103,282	\$ 55,000	\$ 134,800	\$ 90,833	\$ 51,000	\$ 9,400	\$ 44,200	\$ 49,486	\$ 28,538
Residential.....	\$ 6,354,573	\$ 3,906,873	\$ 3,400,686	\$ 3,716,570	\$ 2,030,342	\$ 1,065,111	\$ 3,482,112	\$ 1,019,311	\$ 389,811	\$ 1,464,143
Commercial.....	\$ 437,211	\$ 7,220,071	\$ 1,821,030	\$ 4,439,652	\$ 5,280,222	\$ 4,987,191	\$ 1,160,862	\$ 7,350,637	\$ 651,143	\$ 1,799,744
Finance and administration:										
Business licenses issued (August 1).....	70	64	63	71	71	67	67	68	65	64
Merchant licenses issued (August 1).....	90	94	91	93	94	94	100	104	101	118
Liquor licenses issued (July 1).....	19	21	20	16	17	19	15	17	16	15

Source: City records - various departments listed

^a Estimates based on data provided by applicants

CITY OF ROCK HILL, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTIONS/PROGRAMS
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	As Of March 31,									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Parks and recreation:										
Number of parks.....	3	6	7	7	7	7	7	7	7	7
Acres of parks.....	17	10.5	12	12	12	12	12	12	12	12
Number of tennis courts.....	4	4	6	6	6	6	6	6	6	6
Miles of trails.....	1	1	1	1	1	1	1	1	1	1
Number of ball fields.....	2	2	2	2	2	2	2	2	2	2
Fire department:										
Vehicles (including fire trucks)....	3	3	3	3	3	3	3	3	3	3
Police department:										
Vehicles.....	6	6	6	6	6	6	6	6	7	8
Public works:										
Vehicles.....	8	6	6	6	6	5	5	5	5	6
Area of City (square miles).....	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Miles of streets.....	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5
Number of streets.....	87	87	87	87	87	87	87	87	87	87
Number of street lights.....	328	327	327	327	327	327	327	327	327	325
Housing/building inspector:										
Vehicles.....	-	-	-	-	-	-	1	1	1	1
Other City owned property:										
Public works facility.....	1	1	1	1	1	1	1	1	1	1
City hall facilities (buildings).....	1	-	-	-	-	-	-	-	-	-
Park/pre-school building.....	-	-	-	-	-	-	1	1	1	1
Other property (parcels).....	4	3	3	3	3	3	3	3	3	3

Source: City records - various departments listed