
CITY OF ROCK HILL, MISSOURI

Comprehensive Annual Financial Report
For The Fiscal Year Ended March 31, 2021



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

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CITY OF ROCK HILL, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CITY OF ROCK HILL, MISSOURI
PRINCIPAL CITY OFFICIALS

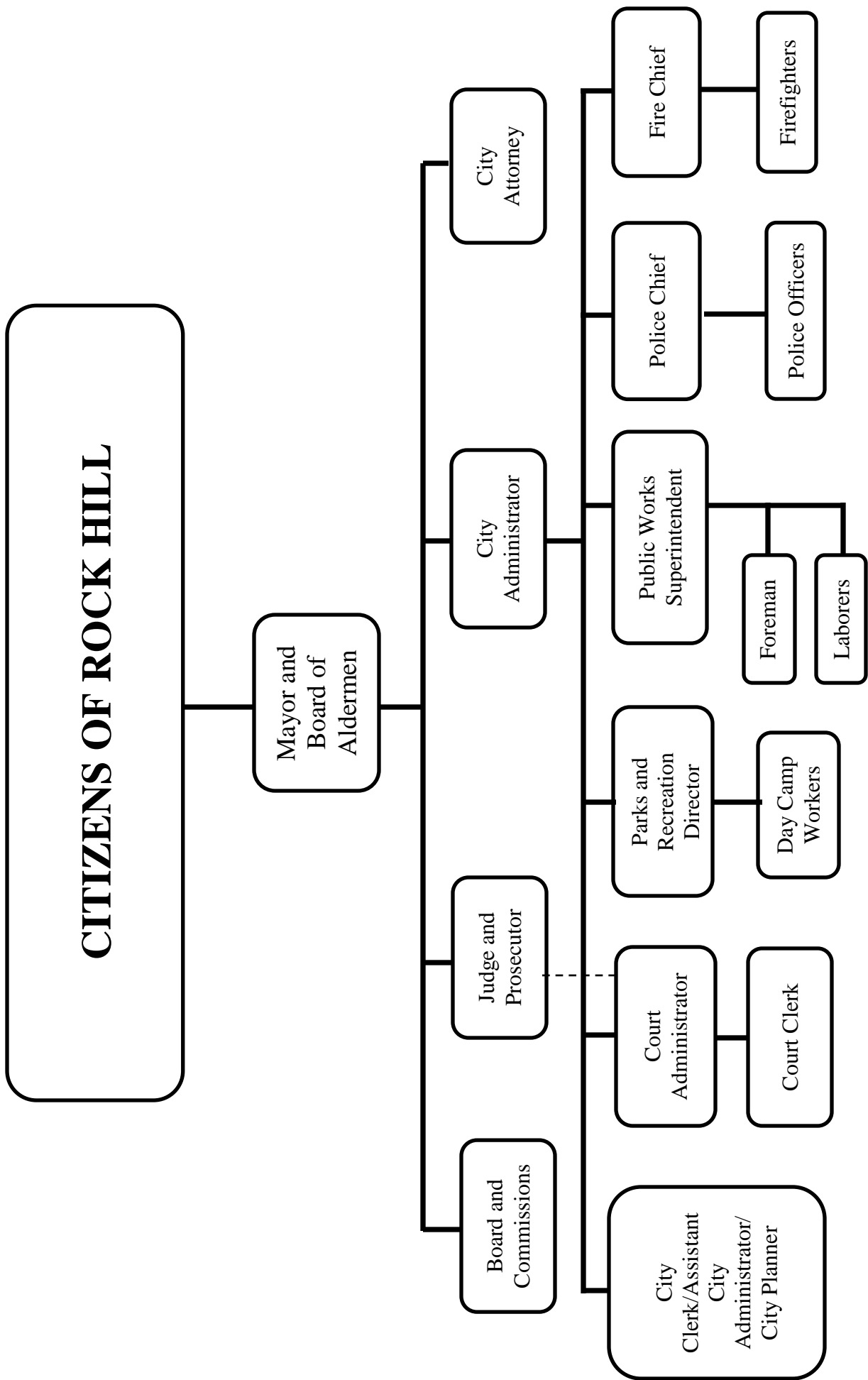
Elected Officials (As of Report Date)

<u>Position</u>	<u>Name</u>	<u>Term</u>
Mayor	Edward Mahan	4/18 – 4/22
Alderman Ward 1	Jacquelyn Rappold	4/20 – 4/22
Alderman Ward 1	Edward Johnson	4/21 – 4/23
Alderwoman Ward 2	Jennifer R. Davis	4/20 – 4/22
Alderwoman Ward 2	Sabrina Westfall	4/21 – 4/23
Alderman Ward 3	Jeffrey Took	4/20 – 4/22
Alderwoman Ward 3	Mary Wofford	4/21 – 4/23

Appointed Officials and Department Heads

<u>Position</u>	<u>Name</u>
City Administrator	Jennifer Yackley
Treasurer	Sandra Stephens
City Clerk	Garrett Schlett
Court Administrator	Amy Perrin
City Attorney	Paul Martin
City Prosecutor	Thomas Spoon
Judge	Mark Levitt
Police Chief	Donald Wickenhauser
Fire Chief	Kevin Halloran
Park and Recreation Director	Kathryn Nieman
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, 2020

Christopher P. Morill

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

August 30, 2021

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, 2021, 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, 2021, 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, 2021. 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 7 new houses between April 1, 2020 and March 31, 2021. 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. The COVID-19 pandemic impacted the city's commercial corridor. Stein Mart, Club Fitness, and McDonalds all closed their locations within the City. Local businesses were shut down for a portion of the year or had their occupancy rates limited due to health orders from St.

Louis County. Despite these challenges, the majority of the City's businesses have adjusted their business practices and continue to operate. The City even saw the opening of several new businesses including Hangar Kitchen & Bar, Briteworx Car Washery, and New Growth Horizons, a medical marijuana cultivation, manufacturing, and dispensing facility located within the City's industrial court.

Long-term Financial Planning and Major Initiatives. In fiscal year 2021 the City added \$164,165 to fund balance. The ending unassigned fund balance is \$839,530 which is 27% of Fiscal Year 2021 budgeted expenditures. The policy goal is to maintain a General Fund balance of 25% 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 30%, 18% and 10% of revenues, respectively. The Board of Aldermen approved placing both a Use Tax and Pension Property Tax on the April 2021 ballot. The Use Tax is a sales tax on goods purchased from out of state vendors. The City estimates that the tax will generate between \$100,000 and \$130,000 of additional sales tax revenue for the City. The Pension Property Tax would generate approximately \$320,000 a year and fund all of the City's annual pension obligations.

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 a popular destination for shoppers in the area. The Market at McKnight recently lost Lucky's Market at the beginning of 2021. Stein Mart also announced it is closing all of its stores nationwide as part of a bankruptcy. The city expects this closure to impact the current fiscal year. The Market's developer is actively seeking new tenants to fill these two spaces. 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. The COVID-19 pandemic and the uncertain financial impact caused the City to delay approximately \$500,000 of the \$720,000 of street work that was planned for FY20/21. The City did complete Crawford Ave because it was under construction at the beginning of the pandemic. The City delayed, Kortwright Ave, Lithia, and Shortridge Ave. Prior to the pandemic, the City had submitted an STP grant application for the portion of North Rock Hill Road south of Manchester Road. The City withdrew its application at the beginning of the pandemic.

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

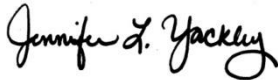
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended March 31, 2020. This was the eleventh year that the City has achieved this prestigious award. 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.

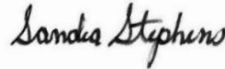
Acknowledgements

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

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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, 2021, 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, 2021, 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, combining balance sheet, combining scheduled of revenues, expenditures and changes in fund balance, budgetary comparison information, statement of changes in assets and liabilities – agency fund, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining balance sheet, combining scheduled of revenues, expenditures and changes in fund balance, budgetary comparison information, statement of changes in assets and liabilities – agency fund are the responsibility of management and were 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 combining balance sheet, combining scheduled of revenues, expenditures and changes in fund balance, budgetary comparison information, statement of changes in assets and liabilities – agency fund are 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 30, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Rock Hill, Missouri's 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 30, 2021

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

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, 2021. 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 \$9,499,667 (*net position*). The City has an unrestricted deficit of net position totaling \$24,602,362. (see Table 1)

Table 1 Unrestricted Deficit Net Position Summary	
TIF bonds and notes net of unamortized bond discount and deferred amount on refunding	\$ (20,037,365)
Interest payable on the TIF bonds and notes	(4,455,109)
Net pension liability net of deferred outflows and inflows related to pension	(883,352)
Positive change in net position from operations	773,464
Unrestricted deficit net position	\$ (24,602,362)

- The total cost of City programs increased by \$211,668, or 3.4%, and net program costs (program revenues less program expenses) were \$560,752 more than they were in fiscal year 2020. (see Table 4)
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,140,731, which was an increase of \$164,165 in comparison with the prior year. This increase is primarily attributed to the St. Louis County CARES Municipal Relief Program funding. Approximately 16% 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 \$839,530, which was approximately 27% of total General Fund expenditures.
- The City's total long-term liabilities, net of premium and discount decreased \$1,323,232 during the current fiscal year. Table 2 below summarizes the items contributing to this decrease.

Table 2 Long-term Liabilities Decrease	
Debt repayment	\$ (1,300,000)
Amortization – premiums	(48,915)
Amortization – discount	8,938
Change in compensated absences	16,745
Total decrease in long-term liabilities	\$ (1,323,232)

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

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.

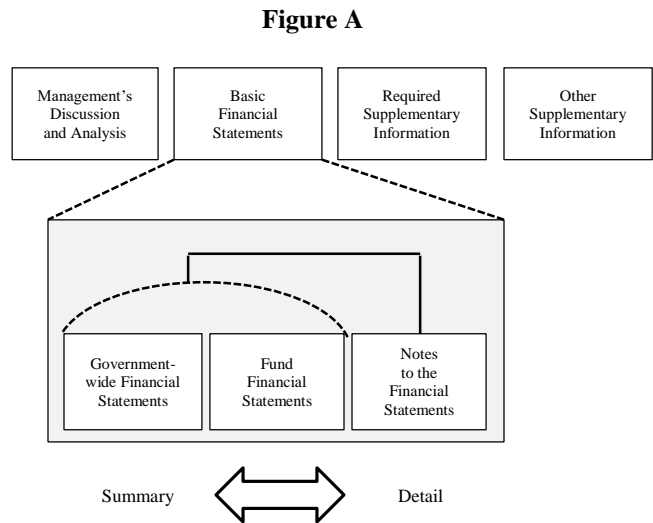


Figure B summarizes the major features of the City’s government-wide and fund financial statements, including the portion of the City government they cover and the types of information each contains. The remainder of this overview section of management’s discussion and analysis explains the structure 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, 2021**

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, 2021**

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 54 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 55 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 72 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) decreased to (\$9,499,667) from a deficit of (\$9,431,997), or 0.7% 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, 2021**

Table 3 Condensed Statement of Net Position				
	March 31,		2021 Change	
	2021	2020	Amount	Percent
ASSETS				
Current and other assets	\$ 5,699,231	\$ 5,670,738	\$ 28,493	0.5 %
Capital assets, net	19,232,076	19,568,989	(336,913)	(1.7)
Total Assets	<u>24,931,307</u>	<u>25,239,727</u>	<u>(308,420)</u>	(1.2)
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	97,653	117,359	(19,706)	(16.8)
Deferred - related to pension	939,885	1,021,329	(81,444)	(8.0)
Total Deferred Outflows of Resources	<u>1,037,538</u>	<u>1,138,688</u>	<u>(101,150)</u>	(8.9)
LIABILITIES				
Current liabilities	4,823,305	3,768,229	1,055,076	28.0
Long-term liabilities	29,854,359	31,634,020	(1,779,661)	(5.6)
Total Liabilities	<u>34,677,664</u>	<u>35,402,249</u>	<u>(332,980)</u>	(0.9)
DEFERRED INFLOWS OF RESOURCES				
Deferred - related to pension	790,848	408,163	382,685	93.7
NET POSITION				
Net investment in capital assets	10,725,382	10,508,086	217,296	2.1
Restricted	4,377,313	3,965,191	412,122	10.4
Unrestricted (deficit)	(24,602,362)	(23,905,274)	(697,088)	(2.9)
Total Net Position	<u>\$ (9,499,667)</u>	<u>\$ (9,431,997)</u>	<u>\$ (67,670)</u>	(0.7) %

A portion of the City's net position, \$10,725,382 in 2021, 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, \$4,377,313 in 2021, 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 \$24,602,362 in 2021. This deficit is comprised of \$773,464 in unrestricted net position from operations offset by an unrestricted net position deficit resulting from the balance of \$20,037,365 in TIF bonds and notes outstanding and interest payable on these bonds notes of \$4,455,109 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 \$883,352 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, 2021**

Change in Net Position

Change in net position between 2021 and 2020 are shown in Table 4 below. The City's total revenues were \$6,399,146. Approximately 30% of those revenues came from sales taxes, 18% of the revenues from property tax, and 6% came from fees charged for services rendered. Most of the other remaining revenues came from utility taxes and other revenues. Change in net position decreased the City's net position by \$67,670.

Table 4 Condensed Statement of Activities					
	For The Years Ended March 31,		2021 Change		
	2021	2020	Amount	Percent	
PROGRAM REVENUES					
Charges for services	\$ 354,762	\$ 668,892	\$ (314,130)	(47.0)	%
Operating grants and contributions	360,202	385,845	(25,643)	(6.6)	
Capital grants and contributions	331,315	340,626	(9,311)	(2.7)	
Total Program Revenues	<u>1,046,279</u>	<u>1,395,363</u>	<u>(349,084)</u>	(25.0)	
EXPENSES					
Administration	834,995	928,680	(93,685)	(10.1)	
Fire department	1,269,206	1,165,102	104,104	8.9	
Housing department	22,627	22,331	296	1.3	
Municipal court	115,391	157,864	(42,473)	(26.9)	
Parks and recreation	246,228	215,426	30,802	14.3	
Police department	1,329,798	1,160,511	169,287	14.6	
Public works	876,508	863,469	13,039	1.5	
Interest on long-term debt	1,772,063	1,741,765	30,298	1.7	
Total Expenses	<u>6,466,816</u>	<u>6,255,148</u>	<u>211,668</u>	3.4	
Net Program Cost	<u>(5,420,537)</u>	<u>(4,859,785)</u>	<u>(560,752)</u>	(11.5)	
GENERAL REVENUES					
Property tax	1,186,194	1,163,288	22,906	2.0	
Sales taxes	1,936,192	2,137,844	(201,652)	(9.4)	
Utility gross receipts	633,996	688,087	(54,091)	(11.3)	
Other taxes	1,241,065	1,709,827	(468,762)	(27.4)	
Investment income	1,792	42,568	(40,776)	(95.8)	
Other	353,628	37,866	315,762	833.9	
Total General Revenues	<u>5,352,867</u>	<u>5,779,480</u>	<u>(426,613)</u>	(7.4)	
CHANGE IN NET POSITION	(67,670)	919,695	(987,365)	107.4	
NET POSITION, APRIL 1	<u>(9,431,997)</u>	<u>(10,351,692)</u>	919,695	8.9	
NET POSITION, MARCH 31	<u>\$ (9,499,667)</u>	<u>\$ (9,431,997)</u>	<u>\$ (67,670)</u>	(0.7)	%

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, 2021**

- 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 2021 were 6,466,816, or 67,670 more than the total revenues generated. Expenses increased 211,668 or 3.4 % compared to 2020.

Key elements (see Table 4) of the increase or decrease in net position are listed below. It is important to note that the key elements listed below were impacted from the declaration of the COVID-19 coronavirus global pandemic and the Missouri governor and St. Louis County executive declaring a public health state of emergency. This declaration was followed by “shelter in place” orders and businesses were operating at limited capacity or closing for this period. Unless noted otherwise the reader can assume the changes listed below for this fiscal year were effective by the COVID-19 pandemic emergency orders.

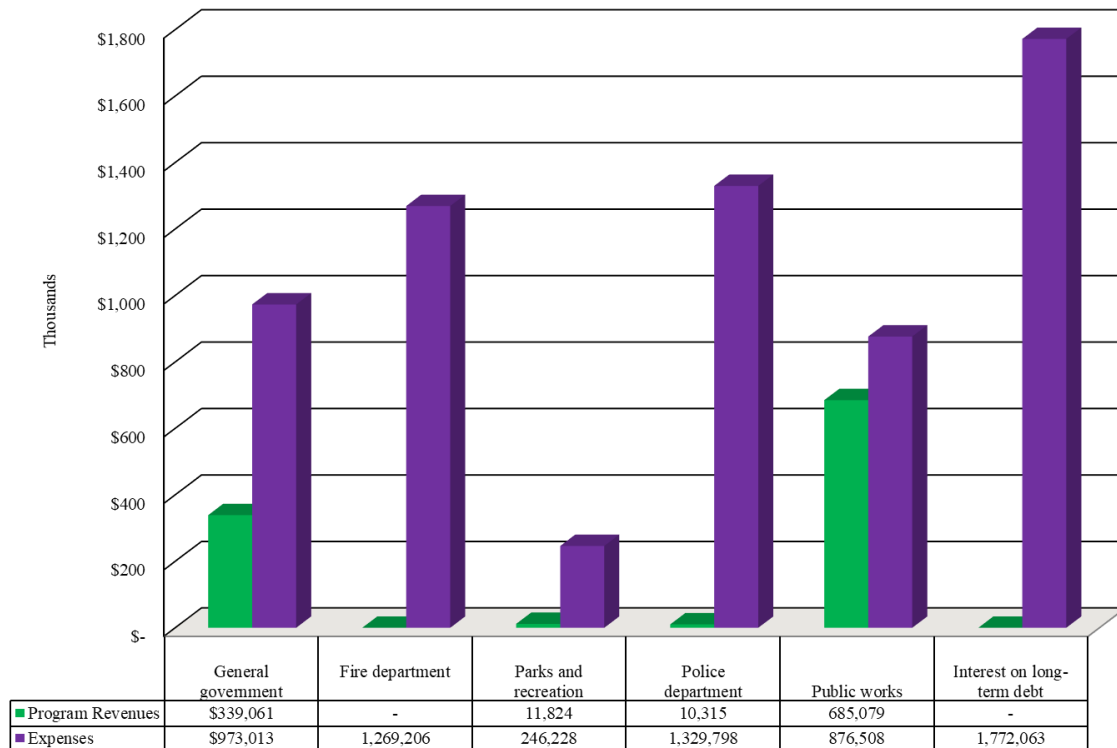
- Charges for services decreased \$314,130 or 47% compared to fiscal year 2020. Municipal court (\$248,325) and business license (\$65,424) revenues were the largest contributing factors for this decrease.
- Sales taxes, the City’s largest revenue source, decreased in 2021 by \$201,652. In addition to the COVID-19 pandemic, the City had the closure of several businesses that included a specialty grocer and a fast food establishment.
- The City received St. Louis County CARES Municipal Relief Program funds of \$318,754 which helped to minimize the effects of revenue losses due to the COVID-19 pandemic.
- Fire service costs increased \$104,104 or 9% primarily due to fire department staff member out on COVID leave and minimum staffing requirements had to be filled.
- Police service costs increased \$169,287 or 14.6% primarily due to staff turnover as well as staff shortage due to COVID quarantine requirements.
- Administration service costs for 2021 decreased \$93,685 or (10.1%). The primary contributor is a reduction in the City’s contribution for health insurance premiums. This reduction was in response to the economic uncertainty that resulted from the COVID-19 pandemic.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

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 16% of program expenses. This resulted in a net cost (total cost of programs less fees generated by the activities and intergovernmental aid) of \$5.4 million. The net cost demonstrates the financial burden that was placed on the City by each of these functions. The City paid for this \$5.4 million “public benefit” portion of the cost with property taxes, sales, other taxes, licenses and permits, and investment earnings.

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



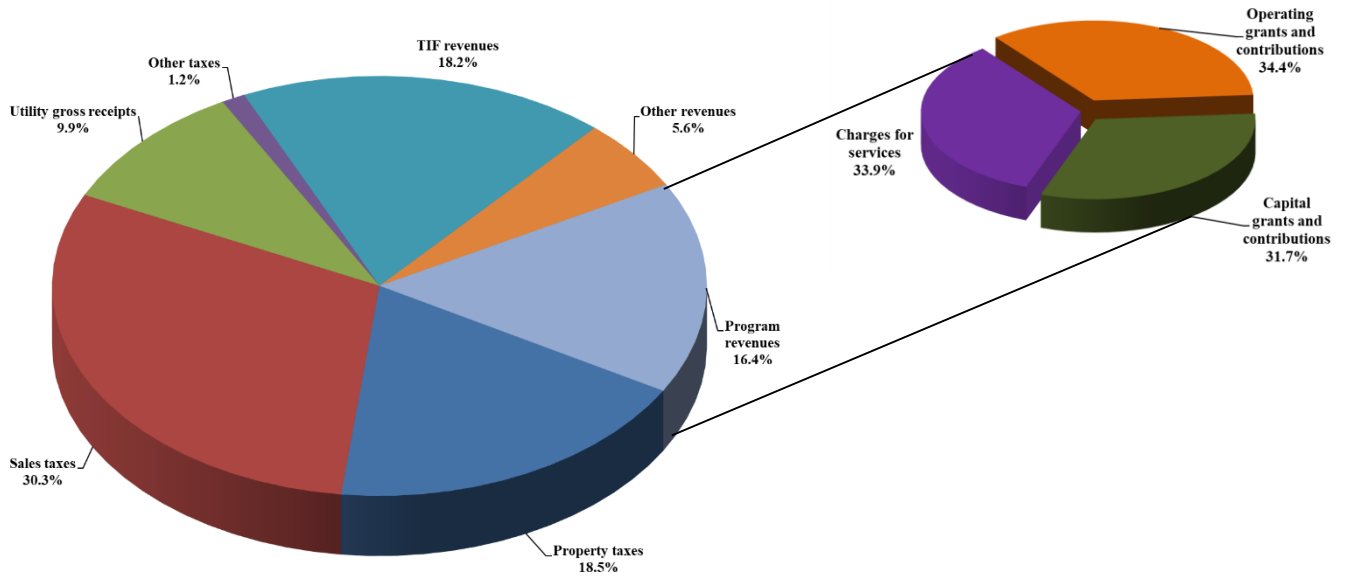
General revenues, which include such items as property taxes, sales taxes, utility taxes, and other revenue, were \$5.4 million or 84% of all City revenues (see Figure C-2). Program revenues accounted for the other 16%. Of that amount, charges for services, which include such items as business licenses, municipal court fines, and permits, accounted for 34% of program revenues.

Other key revenue items were as follows:

- Sales taxes were the City’s largest revenue source, generating 30% of all revenues.
- Property tax accounted for 18% of all revenues with 12% allocated to debt service.
- Utility gross receipts accounts for 10% of all revenues. Utility taxes are charged on the utility services provided within the City.
- Other taxes accounts for 19% of all revenues but includes 18% TIF revenues.

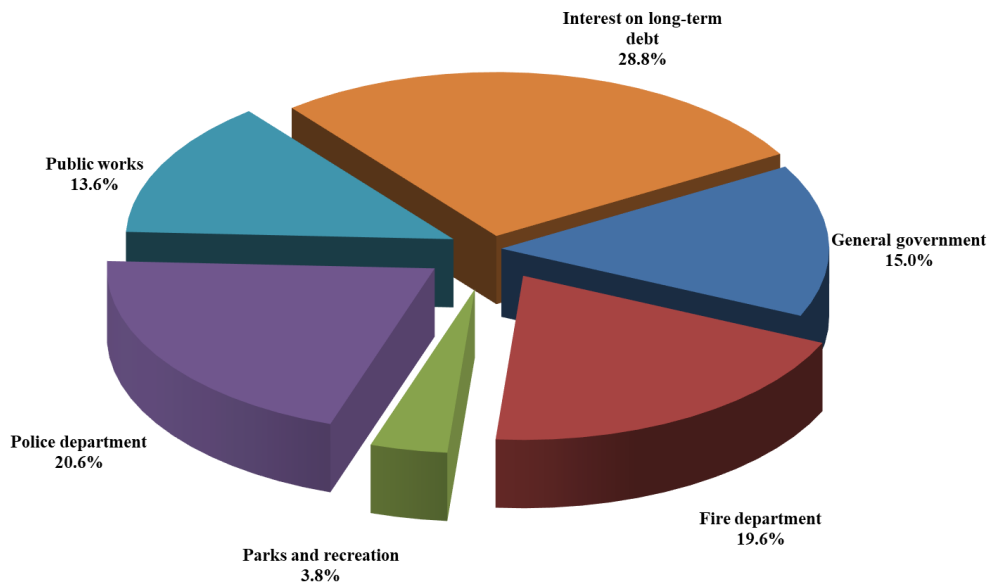
**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

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



The City's expenses cover a wide range of services, with 40% 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 17%.

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



**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

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, 2021, the City's governmental funds (presented in the balance sheet on page 20) reported a combined fund balance of \$5,140,731, which is an increase of \$164,165 in comparison to the prior year (as presented in the statement of revenues, expenditures, and changes in fund balances on page 22).

Approximately 19% of the governmental funds combined fund balances or \$839,530 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 (\$1,114,422), debt service (\$516,500), parks and stormwater (\$271,032), police training (\$6,514), sewer lateral (\$27,482), tax increment financing (TIF) (\$2,337,925), and prepaid items (\$27,326).

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

Revenues by Source	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020		Increase (Decrease) Amount
	Amount	Percent Of Total	Amount	Percent Of Total	
Property taxes	\$1,685,156	26.81 %	\$1,942,455	26.65 %	\$ (257,299)
Gross receipts taxes	686,223	10.92	745,425	10.23	(59,202)
Sales tax	2,475,779	39.39	3,123,809	42.86	(648,030)
Licenses, permits, fines and fees	353,173	5.61	642,495	8.82	(289,322)
Intergovernmental	967,769	15.39	367,020	5.04	600,749
Park and recreation programs	10,593	0.17	7,427	.10	3,166
Investment income	1,791	0.03	42,568	.58	(40,777)
Miscellaneous income	105,444	1.68	417,238	5.72	(311,794)
Total Revenues	\$6,285,928	100.00 %	\$7,288,437	100.00 %	\$ (1,002,509)
Other Financing Sources(Uses)	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020		Increase (Decrease) Amount
	Amount		Amount		
Sale of capital assets	\$ 0		\$ 11,505		\$ (11,505)
Total Other Financing Sources (Uses)	\$ 0		\$ 11,505		\$ (11,505)

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

Governmental funds expenditures decreased by \$1,211,889 compared to fiscal year 2020 (see Table 6). Capital outlay expenditures decreased by \$671,276 primarily due to the deferring of budgeted capital projects because of the economic uncertainty due to the COVID-19 pandemic.

Expenditures by Function	For the Year Ended March 31, 2021		For the Year Ended March 31, 2020		Increase (Decrease) Amount
	Amount	Percent Of Total	Amount	Percent Of Total	
Administration	\$ 713,347	11.65 %	\$ 782,613	10.67 %	\$ (69,266)
Fire department	1,036,368	16.93	1,072,114	14.62	(35,746)
Housing department	22,627	0.37	22,331	0.30	296
Municipal court	113,957	1.86	157,116	2.14	(43,159)
Parks and recreation	172,167	2.81	216,069	2.95	(43,902)
Police department	1,063,856	17.38	1,113,845	15.19	(49,989)
Public works	360,543	5.89	382,211	5.21	(21,668)
Capital outlay	477,465	7.80	1,148,741	15.66	(671,276)
Debit service:					
Principal	1,300,000	21.24	1,525,000	20.80	(225,000)
Interest and fiscal agent fees	861,433	14.07	913,612	12.46	(52,179)
Total Expenditures	\$ 6,121,763	100.00 %	\$ 7,333,652	100.00 %	\$(1,211,889)

General Fund – The General Fund is the chief operating fund of the City. At the end of fiscal year 2021, the unassigned fund balance of the general fund was \$839,530, which was 97% of its total fund balance of \$865,997. 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 27% and 28% of total General Fund expenditures, respectively.

In fiscal year 2021, the General Fund’s net change in fund balance before other financing sources (uses) decreased \$120,904 which is an increase of 31,178 from fiscal year 2020. See Table 7 on the next page. The increase is the result of funds from the St. Louis County CARES Municipal Relief Program of \$318,754 which help offset the \$223,201 decrease in revenues compared to fiscal year 2020.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

Table 7 General Fund – Schedule of Revenues, Expenditures, and Change in Fund Balance			
	For the Years Ended March 31,		Increase (Decrease)
	2021	2020	
Revenues			
Property tax	\$ 299,128	\$ 358,900	\$ (59,772)
Gross receipts taxes	686,223	745,425	(59,202)
Sales taxes	1,256,788	1,374,050	(117,262)
Licenses, permits, fines and fees	353,173	642,495	(289,322)
Intergovernmental	341,474	22,771	318,703
Investment income	881	18,294	(17,413)
Miscellaneous	31,205	30,138	1,067
Total Revenues	<u>2,968,872</u>	<u>3,192,073</u>	<u>(223,201)</u>
Expenditures			
Administration	493,199	597,479	(104,280)
Fire department	1,036,368	1,072,114	(35,746)
Housing department	22,627	22,331	296
Municipal court	113,957	157,116	(43,159)
Police department	1,061,225	1,106,775	(45,550)
Public works	360,543	382,211	(21,668)
Capital outlay	1,857	6,129	(4,272)
Total Expenditures	<u>3,089,776</u>	<u>3,344,155</u>	<u>(254,379)</u>
Net Change in Fund Balance	<u>\$ (120,904)</u>	<u>\$(152,082)</u>	<u>\$ 31,178</u>

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

- In fiscal year 2021, St. Louis County remitted protested property tax receipts to taxing authorities late and fiscal year 2020 included the protested property tax collections from fiscal year 2019 and 2020.
- Municipal court fines amounted to \$183,644 or 60% of the licenses, permits, fines and fees revenue. This is a decrease of \$223,659 or 55% from the previous years as a result of court being closed due to the COVID-19 pandemic.
- General Fund expenditures decrease is attributed to the changes the Mayor, Board of Aldermen, and city administrator made to reduce the City's contribution for health insurance premiums in response to the economic uncertainty caused by the COVID-19 pandemic.

Park Fund – The fund balance of the Park Fund increased by \$30,903 during fiscal year 2021. Revenues decreased \$360,467 compared to prior year due to a grant received from the Municipal Park Grant Commission in fiscal year 2020. Expenditures decreased by \$355,781 over the prior year primarily due to the acquisition of playground equipment at Oakhaven Park in fiscal year 2020.

SW TIF Fund – As of March 31, 2021, the fund balance was \$2,127,742, which was a decrease of \$216,820 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, in addition restrictions imposed on businesses due to the COVID-19 pandemic.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

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 2021, the fund’s fund balance increased \$73,524. The City deferred capital projects due to the COVID-19 pandemic.

Infrastructure Capital Projects Fund – At the end of 2021, the Infrastructure Capital Projects Fund’s ending fund balance was \$853,752, an increase of \$434,338 from the prior year. Street and storm water improvement projects are all financed through this fund. As of March 31, 2021, street projects completed and capitalized total \$376,147. 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 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, 2021, the net position of the Pension Trust Fund totaled \$2,196,510. This is an increase of \$430,952 that is attributed to interest and dividends, and the net appreciation in fair value of the investments exceeding the benefit payments made.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of March 31, 2021, the City had \$19,232,076 invested in a broad range of capital assets (net of accumulated depreciation) (see Table 8). This was a decrease of \$336,913 from the previous year. The City’s investment in capital assets included roads, park playground equipment, and vehicles. In response to the COVID-19 pandemic, the City prioritized street improvement projects.

Major capital asset

- ▶ Street improvements in the amount of \$269,431 were completed during the fiscal year.

Asset Class	March 31,		2021 Change	
	2021	2020	Amount	Percent
Land	\$ 315,690	\$ 315,690	\$ -	0.0 %
Construction in progress	308,015	202,526	105,489	52.1
Buildings and improvements	7,123,163	7,317,872	(194,709)	(2.7)
Vehicles	169,658	261,169	(91,511)	(35.0)
Equipment	414,683	489,307	(74,624)	(15.3)
Infrastructure	10,900,867	10,982,425	(81,558)	(0.7)
Total Capital Assets, Net	\$ 19,232,076	\$ 19,568,989	\$ (336,913)	(1.7) %

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

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

Long-term Liabilities

As of March 31, 2021, the City’s long-term debt net of discounts and premiums total \$28,788,138 a decrease of \$1,323,232 or 4.4% compared to the prior year. Tax increment financing (TIF) debt is \$20,037,365 or 69.6% 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)

Asset Class	March 31,		2021 Change	
	2021	2020	Amount	Percent
General obligation bonds	\$ 8,604,347	\$ 9,178,262	\$ (573,915)	(6.3) %
Tax increment revenue bonds	11,699,664	12,465,726	(766,062)	(6.1)
Tax increment revenue notes	8,337,701	8,337,701	-	-
Compensated absence	146,426	129,681	16,745	12.9
Total Long-term Liabilities, Net	\$ 28,788,138	\$ 30,111,370	\$ (1,323,232)	(4.4) %

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, 2021, the City made amendments to the General Fund’s original budget decreasing expenditures \$104,678. Revenues were \$144,633 less than the final budget of \$3,113,505 primarily due to decreases majority of all revenue categories offset by the receipt of the St. Louis County CARES Municipal Relief Program funds. Expenditures were \$83,604 below the final budget of \$3,173,380 due to various decreases in expenditures.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

- General Fund expenditure budget for fiscal year 2022 decreased before transfers 4.4% compared to fiscal year 2021 final budget. The expenditure budget retains the reduction to the City’s contribution for health insurance premiums.
- 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.
- In January 2021, the Board of Aldermen approved a ballot measure for a Use Tax to supplement the City sales tax revenues. The voters approved the ballot measure in April 2021 and the City expects to begin receiving the additional sales tax monies in the 4th quarter of 2021.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

- The liability for the Uniformed Employee Pension Fund continues to be an on-going issue. The funded ratio has increased from 53.69% in fiscal year 2020 to 67.32% in fiscal year 2021 as a result investment income and net appreciation of investment.
 - 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 Aldermen decided to hold off on transferring the administration and trustee service for the Unformed Employees Pension Plan to LAGERS due to the down turn in market performance.
 - In fiscal year 2021, the Board of Aldermen approved a ballot measure for a \$0.23 property tax dedicated to pensions. The ballot measure was approved by the voters in April 2021 and the City expects to begin receiving the funds in fiscal year 2022. This pension tax will facilitate the transfer of the Uniformed Pension to LAGERS which is also expected to occur in fiscal year 2022.

Subsequent to the adoption of the 2020/2021 fiscal year budget the World Health Organization declared the outbreak of COVID-19 coronavirus a global pandemic. As a result, the St. Louis County Executive in conjunction with the St. Louis County Health Department enacted several health orders that had negative economic consequences for the City. In order to reduce the impact of the lost revenue, the Mayor, Board of Aldermen, and city administrator implemented the following changes for the 2020/2021 fiscal year.

- Reduced the City’s contribution for health insurance premiums.
- Deferred capital acquisitions
- Prioritized street improvement projects
- Evaluated departmental budgets to find areas for cost savings

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, 2021

	Governmental Activities
ASSETS:	
Cash and investments.....	\$ 4,927,751
Receivables, net:	
Property tax.....	195,751
Municipal taxes.....	353,946
Intergovernmental.....	37,292
Other.....	123,333
Prepaid items.....	27,326
Net pension asset.....	33,832
Capital assets:	
Land and construction in progress.....	623,705
Other capital assets, net of accumulated depreciation.....	18,608,371
TOTAL ASSETS	\$ 24,931,307
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding.....	97,653
Deferred amounts related to pension.....	939,885
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,037,538
LIABILITIES:	
Accounts payable.....	241,772
Accrued payroll.....	57,263
Accrued interest.....	4,479,095
Plan deposits.....	41,432
Appearance bonds.....	3,743
Noncurrent liabilities:	
Due within one year.....	1,217,856
Due in more than one year.....	27,570,282
Due in more than one year - net pension liability.....	1,066,221
TOTAL LIABILITIES	34,677,664
DEFERRED INFLOWS OF RESOURCES:	
Deferred amounts related to pension.....	790,848
TOTAL DEFERRED OUTFLOWS OF RESOURCES	790,848
NET POSITION:	
Net investment in capital assets.....	\$ 10,725,382
Restricted for:	
Capital projects.....	1,114,422
Debt services.....	617,352
Parks and stormwater.....	271,911
Police training.....	6,514
Sewer lateral.....	27,482
Tax increment financing.....	2,339,632
Unrestricted (deficit).....	(24,602,362)
TOTAL NET POSITION	\$ (9,499,667)

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, 2021

FUNCTIONS/PROGRAMS	Program Revenues			Net Revenues (Expenses) And Change In Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	
Governmental Activities				
Administration.....	\$ 834,995	\$ 169,768	\$ -	\$ (665,227)
Fire department.....	1,269,206	-	-	(1,269,206)
Housing department.....	22,627	-	-	(22,627)
Municipal court.....	115,391	169,293	-	53,902
Parks and recreation.....	246,228	10,593	1,231	(234,404)
Police department.....	1,329,798	5,108	707	(1,319,483)
Public works.....	876,508	-	358,264	(191,429)
Interest on long-term debt and fiscal charges.....	1,772,063	-	-	(1,772,063)
Total Governmental Activities.....	\$ 6,466,816	\$ 354,762	\$ 360,202	\$ (5,420,537)

General Revenues

Taxes:	
Property taxes levied for:	
General purposes.....	334,523
Debt service.....	851,671
Sales tax levied for:	
General purposes.....	835,345
Fire protection.....	183,722
Public safety.....	237,721
Capital improvement.....	309,158
Park and stormwater.....	370,246
Cigarette taxes.....	22,720
Franchise taxes.....	52,227
TIF revenues.....	1,166,118
Utility gross receipts.....	633,996
Investment income.....	1,792
Other revenues.....	353,628
Total General Revenues.....	5,352,867
CHANGE IN NET POSITION.....	(67,670)
NET POSITION, APRIL 1.....	(9,431,997)
NET POSITION, MARCH 31.....	\$ (9,499,667)

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

CITY OF ROCK HILL, MISSOURI
BALANCE SHEET-GOVERNMENTAL FUNDS
MARCH 31, 2021

	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									
Held by trustee.....	\$ -	\$ -	\$ -	\$ 916,159	\$ -	\$ -	\$ -	\$ -	\$ 916,159
Restricted.....	-	-	-	1,098,469	-	-	-	-	1,098,469
Unrestricted.....	730,036	218,822	26,309	85,113	235,078	900,530	502,451	214,784	2,913,123
Receivables (net):									
Property tax.....	54,146	-	-	-	-	-	138,887	2,718	195,751
Municipal taxes.....	274,532	-	-	28,001	50,827	-	-	586	353,946
Intergovernmental.....	3,784	-	-	-	-	33,508	-	-	37,292
Other.....	4,947	59,858	1,173	-	-	57,039	-	316	123,333
Prepaid items.....	26,447	879	-	-	-	-	-	-	27,326
TOTAL ASSETS.....	1,093,892	279,559	27,482	2,127,742	285,905	991,077	641,338	218,404	5,665,399
LIABILITIES:									
Accounts payable.....	73,041	6,171	-	-	25,235	137,325	-	-	241,772
Accrued payroll.....	55,786	1,477	-	-	-	-	-	-	57,263
Plan deposits.....	41,432	-	-	-	-	-	-	-	41,432
Appearance bonds.....	3,743	-	-	-	-	-	-	-	3,743
Total Liabilities.....	174,002	7,648	-	-	25,235	137,325	-	-	344,210
DEFERRED INFLOWS OF RESOURCES:									
Unavailable revenue-property taxes.....	48,669	-	-	-	-	-	124,838	1,707	175,214
Unavailable revenue-court receipts.....	5,244	-	-	-	-	-	-	-	5,244
Total Deferred Inflows of Resources.....	53,913	-	-	-	-	-	124,838	1,707	180,458
FUND BALANCES:									
Nonspendable:									
Long-term interfund advances.....	-	-	-	-	-	-	-	-	-
Prepaid items.....	26,447	879	-	-	-	-	-	-	27,326
Restricted for:									
Capital projects.....	-	-	-	-	260,670	853,752	-	-	1,114,422
Debt service.....	-	-	-	-	-	-	516,500	-	516,500
Parks and stormwater.....	-	271,032	-	-	-	-	-	-	271,032
Police training.....	-	-	-	-	-	-	-	6,514	6,514
Sewer lateral.....	-	-	27,482	-	-	-	-	-	27,482
Tax increment financing.....	-	-	-	2,127,742	-	-	-	210,183	2,337,925
Unassigned.....	839,530	-	-	-	-	-	-	-	839,530
Total Fund Balances.....	865,977	271,911	27,482	2,127,742	260,670	853,752	516,500	216,697	5,140,731
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 1,093,892	\$ 279,559	\$ 27,482	\$ 2,127,742	\$ 285,905	\$ 991,077	\$ 641,338	\$ 218,404	\$ 5,665,399

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, 2021

Total Fund Balances - Governmental Funds..... \$ 5,140,731

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 \$24,320,556 and the accumulated depreciation is \$5,088,480..... 19,232,076

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

Net pension asset.....	33,832
Net pension liability.....	(1,066,221)
Deferred outflows - pension related.....	939,885
Deferred inflows - pension related.....	(790,848)

Some revenues are not available soon enough to pay for current expenditures and are not reported as revenues in the governmental funds..... 180,458

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.....	(146,426)
Accrued interest payable.....	(4,479,095)
Bonds payable.....	(8,009,974)
Tax increment financing bonds.....	(11,830,000)
Tax increment financing notes.....	(8,337,701)
Deferred amount on refunding.....	97,653
Unamortized bond premium.....	(594,373)
Unamortized bond discount.....	130,336

Total Net Position of Governmental Activities..... \$ (9,499,667)

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

CITY OF ROCK HILL, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2021

	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.....	\$ 299,128	\$ -	\$ -	\$ 613,668	\$ -	\$ -	\$ 761,205	\$ 11,155	\$ 1,685,156
Gross receipts taxes.....	686,223	-	-	-	-	-	-	-	686,223
Sales tax.....	1,256,788	370,246	-	531,111	309,158	-	-	8,476	2,475,779
Licenses, permits, fines and fees.....	353,173	-	-	-	-	-	-	-	353,173
Intergovernmental.....	341,474	-	-	-	4,500	621,795	-	-	967,769
Park and recreation programs.....	-	10,593	-	-	-	-	-	-	10,593
Investment income.....	881	-	-	910	-	-	-	-	1,791
Miscellaneous.....	31,205	1,231	67,960	-	-	-	-	5,048	105,444
Total Revenues.....	2,968,872	382,070	67,960	1,145,689	313,658	621,795	761,205	24,679	6,285,928
EXPENDITURES									
Current:									
Administration.....	493,199	-	-	-	199,283	-	-	20,865	713,347
Fire department.....	1,036,368	-	-	-	-	-	-	-	1,036,368
Housing department.....	22,627	-	-	-	-	-	-	-	22,627
Municipal court.....	113,957	-	-	-	-	-	-	-	113,957
Parks and recreation.....	-	172,167	-	-	-	-	-	-	172,167
Police department.....	1,061,225	-	-	-	-	-	-	2,631	1,063,856
Public works.....	360,543	-	-	-	-	-	-	-	360,543
Capital outlay.....	1,857	4,000	68,300	-	27,161	376,147	-	-	477,465
Debt services:									
Principal.....	-	-	-	775,000	-	-	525,000	-	1,300,000
Interest and fiscal agent fees.....	-	-	-	587,509	-	-	273,924	-	861,433
Total Expenditures.....	3,089,776	176,167	68,300	1,362,509	226,444	376,147	798,924	23,496	6,121,763
REVENUES OVER(UNDER) EXPENDITURES.....	(120,904)	205,903	(340)	(216,820)	87,214	245,648	(37,719)	1,183	164,165
OTHER FINANCING SOURCES (USES)									
Transfers in.....	-	-	-	-	-	188,690	-	-	188,690
Transfers out.....	-	(175,000)	-	-	(13,690)	-	-	-	(188,690)
Total Other Financing Sources(Uses).....	-	(175,000)	-	-	(13,690)	188,690	-	-	-
NET CHANGE IN FUND BALANCE.....	(120,904)	30,903	(340)	(216,820)	73,524	434,338	(37,719)	1,183	164,165
FUND BALANCES, APRIL 1.....	986,881	241,008	27,822	2,344,562	187,146	419,414	554,219	215,514	4,976,566
FUND BALANCES, MARCH 31.....	\$ 865,977	\$ 271,911	\$ 27,482	\$ 2,127,742	\$ 260,670	\$ 853,752	\$ 516,500	\$ 216,697	\$ 5,140,731

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, 2021

Net Change In Fund Balances - Governmental Funds..... \$ 164,165

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 (\$374,920) exceeded depreciation (\$711,833) in the current period..... (336,913)

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.....	1,300,000
Amortization of premiums on debt issuance.....	48,915
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.....	113,217
------------------------	---------

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.....	(16,745)
Accrued interest.....	(930,901)
Net pension liability.....	83,365
Deferred outflows - pension related.....	(81,444)
Deferred inflows - pension related.....	(382,685)

Change in Net Position of Governmental Activities..... \$ (67,670)

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, 2021

	Pension Trust Fund
ASSETS	
Investments, at fair value:	
Money market funds.....	\$ 29,112
Equity mutual funds.....	1,448,750
Fixed income mutual funds.....	717,783
Accrued interest and dividends.....	865
TOTAL ASSETS.....	2,196,510
LIABILITIES	
Accounts payable.....	-
TOTAL LIABILITIES.....	-
NET POSITION	
Restricted for pension.....	\$ 2,196,510

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, 2021

	Pension Trust Fund
ADDITIONS	
Investment income	
Interest and dividends.....	\$ 46,272
Net appreciation in fair value of investments.....	610,174
Total Investment Income (Expense).....	656,446
Employer contributions.....	-
Total Additions.....	656,446
DEDUCTIONS	
Benefits paid.....	220,495
Fees paid.....	4,999
Total Deductions.....	225,494
CHANGE IN NET POSITION.....	430,952
NET POSITION RESTRICTED FOR PENSION, APRIL 1.....	1,765,558
NET POSITION RESTRICTED FOR PENSION, MARCH 31.....	\$ 2,196,510

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

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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, 2021

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, 2021

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.

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, 2021

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:

Assets	Years
Buildings and improvements	10 – 40
Vehicles	5 – 7
Equipment	7 – 25
Infrastructure	40

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Allowance

Taxes and bonds receivable are shown net of an allowance for uncollectible accounts of \$9,238.

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.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Fund Balance Policies (Continued)

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

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts 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, 2021

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, 2021, the City’s bank balance of \$3,006,669 was fully insured by depository insurance and collateralized with securities held by the Federal Reserve Bank.

The deposits and investments held at March 31, 2021, and reported at fair value, are as follows:

Type	Carrying Value
Deposits:	
Demand deposits.....	\$ 2,912,473
Cash on hand.....	650
	2,913,123
Pooled Investments:	
Money market mutual funds.....	2,014,628
Pension Trust Investments:	
Money market funds.....	29,112
Equity mutual funds.....	1,448,750
Fixed income funds.....	717,783
	2,195,645
Total Deposits and Investments.....	\$ 7,123,396
 Reconciliation to the Financial Statements:	
Statement of Net Position:	
Cash and Investments:	
Governmental Activities.....	\$ 4,927,751
Statement of Fiduciary Net Position:	
Cash and Investments:	
Held by trustees – Pension Trust Fund.....	2,195,645
	\$ 7,123,396

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE B – CASH AND INVESTMENTS (continued)

2. Investments

As of March 31, 2021, the City held the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>No Maturity</u>	<u>Maturities</u>			<u>Credit Risk</u>
			<u>Less Than One Year</u>	<u>1 – 5 Years</u>	<u>6 – 10 Years</u>	
Primary Government						
Money market funds	\$2,014,628	\$2,014,628	\$ -	\$ -	\$ -	Not rated
Fiduciary Funds						
Money market funds	29,112	29,112	-	-		N/A
Equity mutual funds	1,448,750	1,448,750	-	-		Not rated
Fixed income mutual funds						
Baird aggregate bond fund	237,545	-	-	-	237,545	A
Blackrock strategic income	40,355	-	-	40,355	-	BB
Dodge & Cox income	218,435	-	-	-	218,435	A
Prudential high yield	43,659	-	-	43,659	-	B
MFS Emerging markets debt	42,741	-	-	-	42,741	BB
Vanguard inflation protected	135,048	-	-	-	135,048	AA
Total Fiduciary Funds						
Investments	<u>2,195,645</u>	<u>1,477,862</u>	<u>-</u>	<u>84,014</u>	<u>633,769</u>	
Total Investments	<u>\$4,210,273</u>	<u>\$ 3,492,490</u>	<u>\$ -</u>	<u>\$ 84,014</u>	<u>\$ 633,769</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, 2021

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, 2021.

The Fiduciary Fund has the following recurring fair value measurements as of March 31, 2021.

- Fixed income mutual funds of \$717,783 and equity mutual funds of \$1,448,750 are valued using quoted prices. (Level 1 inputs)
- Money market funds of \$29,112 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 4.6 to 11.4 years.

Rate of return: For the year ended March 31, 2021, the annual money weighted rate of return on the pension plan investments, net of pension plan investment expense, was 39 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, 2021

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, 2021, 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	\$ 0.2250	\$ 0.2750	\$ 0.3400
Debt service	0.6380	0.6380	0.6380
Total property tax levied:	<u>\$ 0.8630</u>	<u>\$ 0.913</u>	<u>\$ 0.978</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, 2021

NOTE D – CAPITAL ASSETS

The following is a summary of changes in capital assets:

	For The Year Ended March 31, 2021			Balance March 31, 2021
	Balance March 31, 2020	Additions	Deletions	
Capital assets not being depreciated:				
Land	\$ 315,690	\$ -	\$ -	\$ 315,690
Construction in progress	202,526	169,386	63,897	308,015
Total Capital Assets Not Being Depreciated	<u>518,216</u>	<u>169,386</u>	<u>63,897</u>	<u>623,705</u>
Capital assets being depreciated:				
Buildings and improvements	7,707,969	-	-	7,707,969
Vehicles	1,442,655	-	-	1,442,655
Equipment	774,806	-	-	774,806
Infrastructure	13,501,990	269,431	-	13,771,421
Total Capital Assets Being Depreciated	<u>23,427,420</u>	<u>269,431</u>	<u>-</u>	<u>23,696,851</u>
Less-Accumulated depreciation for:				
Buildings and improvements	390,097	194,709	-	584,806
Vehicles	1,181,486	91,511	-	1,272,997
Equipment	285,499	74,624	-	360,123
Infrastructure	2,519,565	350,989	-	2,870,554
Total Accumulated Depreciation	<u>4,376,647</u>	<u>711,833</u>	<u>-</u>	<u>5,088,480</u>
Total Capital Assets Being Depreciated, Net	<u>19,050,773</u>	<u>(442,402)</u>	<u>-</u>	<u>18,608,371</u>
Capital Assets, Net	<u>\$ 19,568,989</u>	<u>\$ (273,016)</u>	<u>\$ 63,897</u>	<u>\$19,232,076</u>

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

	For The Year Ended March 31, 2021
Administration	\$ 113,377
Fire department	66,692
Parks and recreation department	60,807
Police department	29,875
Public works	441,082
Total	<u>\$ 711,833</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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, 2020, 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	31
Total	62

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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), 13.4% (Police) and 10.9% (Fire) of annual covered payroll.

5. Net Pension Liability

The City's net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 29, 2020.

6. Actuarial Assumptions

The total pension liability in the February 29, 2020 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 6.55% 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 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2020 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, 2021

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>
Alpha	15.0%	3.67%
Equity	35.0	4.78
Fixed Income	31.0	1.41
Real assets	36.0	3.29
Strategic Assets	8.0	5.25
Cash/leverage	(25.0)	(0.29)

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, 2021

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	\$ 147,803
2. Interest on Total Pension Liability	371,950
3. Changes of Benefit Terms	-
4. Difference between expected and actual experience of the Total Pension Liability	47,381
5. Changes of Assumptions	(2,439)
6. Benefit payments, including refunds of employee contributions	<u>(163,191)</u>
7. Net change in total pension liability	401,504
8. Total Pension liability – June 30, 2019	<u>5,156,499</u>
9. Total Pension liability – June 30, 2020	<u>\$5,557,903</u>

B. Plan Fiduciary Net Position

1. Contributions – employer	\$ 151,560
2. Contributions – employee	-
3. Net investment income	72,233
4. Benefit payments, including refunds of employee contributions	(163,191)
5. Pension plan administrative expense	(7,396)
6. Other (Net Transfers)	<u>(24,866)</u>
7. Net Change in plan fiduciary net position	28,340
8. Plan fiduciary net position – June 30, 2019	<u>5,563,395</u>
9. Plan fiduciary net position – June 30, 2020	<u>\$5,591,735</u>

C. Net pension liability/(asset)

\$ (33,832)

D. Plan fiduciary net position as a percentage of the total pension liability

100.61%

E. Covered payroll

\$1,877,994

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

(1.80)%

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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)	\$ 764,776	\$ (33,832)	\$ (694,305)

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

For the year ended March 31, 2021, the City recognized pension expense of \$260,962. Reported deferred outflows and inflows of resources are related to the following sources.

	Outflows	Inflows	Net Outflows
Differences in experience	\$ 224,682	\$ (95,565)	\$ 129,117
Assumption changes	36,243	(11,861)	24,382
Excess (deficit) investment returns	156,420	-	156,420
Contributions subsequent to the measurement date*	119,082	-	119,082
Total	\$ 536,427	\$ (107,426)	\$ 429,001

*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			
2021		\$	37,567
2022			68,392
2023			102,383
2024			73,976
2025			18,702
Thereafter			8,899
Total			\$ 309,919

**CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021**

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

11. Payable to the Pension Plan

As of March 31, 2021, the City had no outstanding amounts for 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 March 31, 2021, 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	9
Active employees	0
	24
	24

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, 2021

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, 2021, the City did not have a formal contribution policy. Annual contributions made to the Plan over the last five years averaged 53% 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The General Fund has typically been used in prior years to liquidate pension liabilities.

Actuarial assumptions: The total pension liability in the March 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Beginning	Ending
Discount Rate	5.50%	5.50%
Investment Rate of Return	5.50%	5.50%
Salary Increases, including inflation	0.00%	0.00%
Inflation	3.00%	3.00%

Mortality

Pre-Retirement, Beginning	None
Post-Retirement, Beginning	SOA Pub 2010 Public Safety Table, projected generationally with MP-2019 improvement scale
Pre-Retirement, Ending	None
Post-Retirement, Ending	SOA Pub 2010 Public Safety Table, projected generationally with MP-2020 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, 2021

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 5.5 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large cap	35%	6.75%
Small/Mid cap	15	8.00
International	10	8.70
Emerging markets	5	11.15
US fixed income	26	2.20
Global fixed income	5	2.00
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 rate is 5.50 percent for the fiscal years ending 3/31/2020 and 3/31/2021, respectively.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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	\$ 12,839
2. Interest on Total Pension Liability	175,093
3. Difference between expected and actual experience of the Total Pension Liability	27,251
4. Changes of Assumptions	(18,503)
5. Benefit payments, including refunds of employee contributions	(222,157)
6. Net change in total pension liability	(25,477)
7. Total Pension liability – March 31, 2020	3,288,208
8. Total Pension liability – March 31, 2021	<u>\$ 3,262,731</u>
B. Plan Fiduciary Net Position	
1. Contributions – employer	\$ -
2. Net investment income	653,109
3. Benefit payments, including refunds of employee contributions	(222,157)
4. Pension plan administrative expense	-
5. Other (Net Transfers)	-
6. Net Change in plan fiduciary net position	430,952
7. Plan fiduciary net position – March 31, 2020	1,765,558
8. Plan fiduciary net position – March 31, 2021	<u>\$ 2,196,510</u>
C. Net pension liability/(asset)	\$ 1,066,221
D. Plan fiduciary net position as a percentage of the total Pension liability	67.32%
E. Covered payroll	\$ 350,990
F. Net pension liability as a percentage of covered employee payroll	303.78%

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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 (4.50%)	Current Discount Rate (5.50%)	1% Increase (6.50%)
City’s net pension liability	\$ 1,395,255	\$ 1,066,221	\$ 785,222

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

For the year ended March 31, 2021, the City recognized pension expense of \$274,246. At March 31, 2021, 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	\$ 27,251	\$ (66,365)	\$ (39,114)
Assumption changes	268,185	(598,554)	(330,369)
Excess (deficit) investment returns	108,022	(18,503)	89,519
Total	\$ 403,458	\$ (683,422)	\$ (279,964)

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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,	
2022	\$ (19,125)
2023	(50,635)
2024	(42,041)
2025	(55,671)
2026	(112,492)
Thereafter	-
Total	\$ (278,964)

4. Payable to the Pension Plan

At March 31, 2021 the City had no payable for contributions to the Plan.

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

	LAGERS	Uniformed Employees	Total
Pension liabilities	\$ 5,557,903	\$ 3,262,731	\$ 8,820,634
Pension assets	5,591,735	2,196,510	7,788,245
Net pension liability(asset)	\$ (33,832)	\$ 1,066,221	\$ 1,032,389
Pension related deferred outflow	\$ 536,427	\$ 403,458	\$ 939,885
Pension related deferred inflow	\$ (107,426)	\$ (683,422)	\$ (790,848)
Pension expenditures for the period associated with the net pension liabilities	\$ 260,962	\$ 274,246	\$ 535,208

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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, 2021 the City’s commitments with contractors are as follows:

Contractor	Total Spent As of March 31, 2021	Remaining Commitment
K&S Associates	\$ 5,795,982	\$ 10,000
Total	\$ 5,795,982	\$ 10,000

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE H – LONG-TERM LIABILITIES

Long-term debt consists of the following:

	For the Year Ended March 31, 2021			Balance March 31, 2021	Amounts Due Within One Year
	Balance March 31, 2020	Additions	Reductions		
General Obligation Bonds					
Series 2010 Refunding	\$ 385,000	\$ -	\$ 190,000	\$ 195,000	\$ 195,000
Series 2016	5,155,000	-	255,000	4,900,000	260,000
Series 2017 Refunding	2,994,974	-	80,000	2,914,974	85,000
Plus – Premium	643,288	-	48,915	594,373	-
Tax Increment Revenue Notes and Bonds					
Tax increment revenue notes	8,337,701	-	-	8,337,701	-
Tax increment revenue Bonds	12,605,000	-	775,000	11,830,000	590,000
Less – Discount	(139,274)	-	(8,938)	(130,336)	-
Compensated absences	129,681	119,977	103,232	146,426	87,856
Total	<u>\$30,111,370</u>	<u>\$ 119,977</u>	<u>\$1,443,209</u>	<u>\$28,788,138</u>	<u>\$1,217,856</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.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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
2022	\$ 540,000	\$ 260,575	\$ -	\$ 800,575
2023	555,000	246,850	-	801,850
2024	570,000	232,900	-	802,900
2025	534,974	218,550	55,026	808,550
2026	590,000	206,650	-	796,650
2027-2031	3,280,000	735,800	-	4,015,800
2032-2036	1,940,000	239,000	-	2,179,000
Total	\$ 8,009,974	\$ 2,140,325	\$ 55,026	\$ 10,205,325

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, 2021

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

	Transfers From	Transfers To	Net Transfers
Major Funds			
General Capital Projects Fund.....	\$ (13,690)	\$ -	\$ (13,690)
Infrastructure Capital Projects Fund.....	-	188,690	188,690
Park Fund.....	(175,000)	-	(175,000)
Total.....	\$ (188,690)	\$ 188,690	\$ -

The transfer from the General Capital Projects Fund to the Infrastructure Capital Projects Fund was for the purpose of funding capital infrastructure projects for street improvements. 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.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE J – UNRESTRICTED NET POSITION DEFICIT

The government-wide statement of net position reflects an unrestricted net position deficit of (\$24,602,362). This total is comprised of \$773,464 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 (\$20,037,365) and interest payable on these notes of (\$4,455,109), which is for development not owned by the City, and net pension liability net of deferred outflows and inflows related to pension of (\$883,352).

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 \$4,377,313 of restricted net position, 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, 2021, the City received \$1,144,779 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 – NEW ACCOUNTING PRONOUNCEMENT

For year ending March 31, 2021, the City implemented the Governmental Accounting Standards Board (GASB) Statement 84, *Fiduciary Activities*. GASB Statement 84 establishes criteria for identifying fiduciary activities of state and local government.

The implementation of GASB 84 also resulted in the assets and liabilities of the Appearance Bond Deposits, Agency Fund being moved into the General Fund.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

NOTE N - 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 May 2020, the GASB issued Statement No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance.” GASB Statement No. 87, “Leases” has been postponed 18 months, GASB Statement No. 88, “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements” and GASB Statement No. 89, “Accounting for Interest Cost Incurred before the End of a Construction Period” have been postpone one year.

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

In March 2019, 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, 2018. Earlier application is encouraged.

In June 2019, 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 on the City’s financial statements as a result of the adoption of these new pronouncements are unknown.

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**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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 331,000	\$ 331,000	\$ 299,128	\$ (31,872)
Gross Receipt Taxes:				
Cable television.....	60,000	60,000	52,227	(7,773)
Electric.....	380,000	380,000	307,429	(72,571)
Gas.....	177,000	177,000	161,981	(15,019)
Telephone.....	116,000	116,000	77,471	(38,529)
Water.....	70,000	70,000	87,115	17,115
Total Gross Receipts Taxes.....	<u>803,000</u>	<u>803,000</u>	<u>686,223</u>	<u>(116,777)</u>
Sales Tax:				
County sales tax.....	941,600	941,600	835,345	(106,255)
Fire sales tax.....	202,500	202,500	183,722	(18,778)
County public safety sales tax.....	250,000	250,000	237,721	(12,279)
Total Sales Tax.....	<u>1,394,100</u>	<u>1,394,100</u>	<u>1,256,788</u>	<u>(137,312)</u>
Licenses, permits, fines and fees:				
Auto personal property.....	13,600	13,600	14,278	678
Building permits.....	15,750	15,750	17,022	1,272
Liquor.....	10,350	10,350	9,263	(1,087)
Merchants' licenses.....	193,500	193,500	128,966	(64,534)
Fines and court costs.....	300,000	300,000	183,644	(116,356)
Total Licenses and Permits.....	<u>533,200</u>	<u>533,200</u>	<u>353,173</u>	<u>(180,027)</u>
Intergovernmental:				
Cigarette tax.....	22,705	22,705	22,720	15
St. Louis County CARES.....	-	-	318,754	318,754
Total Intergovernmental.....	<u>22,705</u>	<u>22,705</u>	<u>341,474</u>	<u>318,769</u>
Investment Income.....	<u>11,000</u>	<u>11,000</u>	<u>881</u>	<u>(10,119)</u>
Miscellaneous:				
Grant income.....	3,700	3,700	707	(2,993)
Miscellaneous.....	14,800	14,800	30,498	15,698
Total Miscellaneous.....	<u>18,500</u>	<u>18,500</u>	<u>31,205</u>	<u>12,705</u>
Total Revenues.....	<u>3,113,505</u>	<u>3,113,505</u>	<u>2,968,872</u>	<u>(144,633)</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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES				
Current:				
Administration:				
Personnel services.....	251,261	234,990	226,433	(8,557)
Contracted services.....	159,192	228,303	232,731	4,428
Operating expenditures.....	35,770	35,770	34,035	(1,735)
Capital outlay.....	1,200	1,200	1,580	380
Total Administration.....	<u>447,423</u>	<u>500,263</u>	<u>494,779</u>	<u>(5,484)</u>
Fire Department:				
Personnel services.....	1,000,756	986,821	985,161	(1,660)
Contracted services.....	49,300	41,590	37,655	(3,935)
Operating expenditures.....	16,000	13,000	13,552	552
Capital outlay.....	1,000	-	-	-
Total Fire Department.....	<u>1,067,056</u>	<u>1,041,411</u>	<u>1,036,368</u>	<u>(5,043)</u>
Housing Department:				
Personnel services.....	20,334	20,334	21,442	1,108
Contracted services.....	1,480	1,480	-	(1,480)
Operating expenditures.....	1,655	1,655	1,185	(470)
Total Housing.....	<u>23,469</u>	<u>23,469</u>	<u>22,627</u>	<u>(842)</u>
Municipal Court:				
Personnel services.....	138,741	134,003	101,381	(32,622)
Contracted services.....	14,150	10,150	11,106	956
Operating expenditures.....	4,250	2,250	1,470	(780)
Capital outlay.....	1,200	1,200	277	(923)
Total Municipal Court.....	<u>158,341</u>	<u>147,603</u>	<u>114,234</u>	<u>(33,369)</u>
Police Department:				
Personnel services.....	989,289	947,459	949,799	2,340
Contracted services.....	125,030	107,930	107,208	(722)
Operating expenditures.....	10,305	6,435	4,218	(2,217)
Total Police Department.....	<u>1,124,624</u>	<u>1,061,824</u>	<u>1,061,225</u>	<u>(599)</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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
Public Works				
Personnel services.....	303,435	279,300	285,156	5,856
Contracted services.....	51,675	46,075	37,515	(8,560)
Operating expenditures.....	102,035	73,435	37,872	(35,563)
Total Public Works.....	<u>457,145</u>	<u>398,810</u>	<u>360,543</u>	<u>(38,267)</u>
Total Expenditures.....	<u>3,278,058</u>	<u>3,173,380</u>	<u>3,089,776</u>	<u>(83,604)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ (164,553)</u>	<u>\$ (59,875)</u>	(120,904)	<u>\$ (61,029)</u>
FUND BALANCE, APRIL 1.....			<u>986,881</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 865,977</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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Sales tax - parks/stormwater.....	\$ 425,250	\$ 425,250	\$ 370,246	\$ (55,004)
Intergovernmental:				
Grant income.....	320,120	5,120	-	(5,120)
Park and recreation programs.....	6,750	6,750	10,593	3,843
Fall Festival.....	1,700	1,700	-	(1,700)
Miscellaneous revenue.....	-	-	1,231	1,231
Total Revenues.....	<u>753,820</u>	<u>438,820</u>	<u>382,070</u>	<u>(56,750)</u>
EXPENDITURES				
Personnel services.....	196,603	182,114	165,416	(16,698)
Contracted services.....	5,856	5,856	1,046	(4,810)
Operating expenditures.....	21,850	21,850	5,705	(16,145)
Capital outlay.....	324,600	9,600	4,000	(5,600)
Total Expenditures.....	<u>548,909</u>	<u>219,420</u>	<u>176,167</u>	<u>(43,253)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>204,911</u>	<u>219,400</u>	<u>205,903</u>	<u>(13,497)</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>\$ 29,911</u>	<u>\$ 44,400</u>	30,903	<u>\$ (13,497)</u>
FUND BALANCE, APRIL 1.....			<u>241,008</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 271,911</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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Miscellaneous.....	\$ 63,000	\$ 63,000	\$ 67,960	\$ 4,960
EXPENDITURES				
Current:				
Capital Outlay.....	60,000	68,300	68,300	-
NET CHANGE IN FUND BALANCE.....	<u>\$ 3,000</u>	<u>\$ (5,300)</u>	(340)	<u>\$ 4,960</u>
FUND BALANCE, APRIL 1.....			<u>27,822</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 27,482</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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 605,000	\$ 605,000	\$ 613,668	\$ 8,668
Sales Tax.....	530,000	530,000	255,578	(274,422)
TDD Sales Tax.....	240,000	240,000	134,815	(105,185)
CID Sales Tax.....	240,000	240,000	140,718	(99,282)
Investment Income.....	18,000	18,000	910	(17,090)
Total Revenues.....	<u>1,633,000</u>	<u>1,633,000</u>	<u>1,145,689</u>	<u>(487,311)</u>
EXPENDITURES				
Current:				
Administration.....	5,000	5,000	-	(5,000)
Debt service:				
Principal	1,025,000	1,025,000	775,000	(250,000)
Interest and fiscal agent fees.....	600,000	600,000	587,509	(12,491)
Total Expenditures.....	<u>1,630,000</u>	<u>1,630,000</u>	<u>1,362,509</u>	<u>(267,491)</u>
NET CHANGE IN FUND BALANCE.....	<u><u>\$ 3,000</u></u>	<u><u>\$ 3,000</u></u>	(216,820)	<u><u>\$ (219,820)</u></u>
FUND BALANCE, APRIL 1.....			<u>2,344,562</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 2,127,742</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, 2021**

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, Park 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.

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

	FISCAL YEAR ENDING JUNE 30,					
	2020	2019	2018	2017	2016	2015
Total Pension Liability (TPL)						
Service Cost.....	\$ 147,803	\$ 139,576	\$ 137,298	\$ 136,571	\$ 122,314	\$ 119,202
Interest on Total Pension Liability.....	371,950	343,022	313,755	294,475	263,215	252,091
Change in Benefit Terms.....	-	-	-	-	-	-
Assumption Changes.....	(2,439)	6,552	(9,880)	(5,519)	122,989	-
Experience Gains/Losses.....	47,281	78,735	120,599	(14,473)	62,288	(99,582)
Benefit Payments.....	(163,191)	(167,242)	(165,482)	(131,105)	(121,190)	(118,478)
Net Change in Total Pension Liability.....	401,404	400,643	396,290	279,949	449,616	153,233
Total Pension Liability-July 1.....	5,156,499	4,755,856	4,359,566	4,079,617	3,630,001	3,476,768
Total Pension Liability-June 30.....	\$ 5,557,903	\$ 5,156,499	\$ 4,755,856	\$ 4,359,566	\$ 4,079,617	\$ 3,630,001
Plan Fiduciary Net Position (FNP)						
Contributions - employer.....	151,560	149,278	138,322	128,149	129,004	130,640
Net Investment Income.....	72,233	337,319	572,500	479,687	(8,428)	77,425
Benefit Payments.....	(163,191)	(167,242)	(165,482)	(131,105)	(121,190)	(118,478)
Administrative Expenses.....	(7,396)	(6,520)	(4,695)	(4,383)	(4,459)	(4,660)
Other (Net Transfers).....	(24,866)	13,344	144,385	26,606	(33,703)	81,341
Net Change in Plan Fiduciary Net Position.....	28,340	326,179	685,030	498,954	(38,776)	166,268
Total Fiduciary Net Position-July 1.....	5,563,395	5,237,216	4,552,186	4,053,232	4,092,008	3,925,740
Total Fiduciary Net Position-June 30.....	\$ 5,591,735	\$ 5,563,395	\$ 5,237,216	\$ 4,552,186	\$ 4,053,232	\$ 4,092,008
Net Pension Liability (Asset)-June 30.....	\$ (33,832)	\$ (406,896)	\$ (481,360)	\$ (192,620)	\$ 26,385	\$ (462,007)
Plan fiduciary net position as a percentage of the total pension liability.....	100.61%	107.89%	110.12%	104.42%	99.35%	112.73%
Covered payroll.....	\$ 1,877,994	\$ 1,836,369	\$ 1,726,721	\$ 1,690,900	\$ 1,672,879	\$ 1,493,000
Net pension liability as of a percentage of covered payroll.....	-1.80%	-22.16%	-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).....	5,557,903	5,156,499	4,755,856	4,359,566	4,079,617	3,630,001
Total Pension Liability (Discount Rate + 1%).....	6,356,511	4,542,731	4,183,764	3,827,077	3,579,651	3,206,161
Total Pension Liability (Discount Rate - 1%).....	4,897,430	5,899,400	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

	FISCAL YEAR ENDING MARCH 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarial Determined Contributions.....	\$ 154,444	\$ 150,511	\$ 148,164	\$ 135,333	\$ 128,906	\$ 132,537	\$ 130,159	\$ 133,359	\$ 139,925	\$ 136,249
Actual Contributions Deposited.....	154,444	150,511	148,164	135,333	128,906	132,537	130,159	133,359	133,449	127,310
Annual Contribution Deficiency/(Excess).....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,476	\$ 8,939
Covered Payroll.....	\$ 1,856,781	\$ 1,848,910	\$ 1,869,741	\$ 1,723,240	\$ 1,770,391	\$ 1,621,072	\$ 1,519,613	\$ 1,538,006	\$ 1,524,600	\$ 1,592,732
Contributions as a Percentage of Covered Payroll.....	8.32%	8.14%	7.92%	7.85%	7.28%	8.18%	8.57%	8.67%	8.75%	7.99%

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.
- 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.

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

	FISCAL YEAR ENDING MARCH 31,					
	2021	2020	2019	2018	2017	2016
Total Pension Liability (TPL)						
Service Cost.....	\$ 12,839	\$ 10,136	\$ 9,834	\$ 9,819	\$ 9,804	\$ 9,815
Interest on Total Pension Liability.....	175,093	198,814	195,265	196,213	209,126	210,743
Assumption Changes.....	(18,503)	258,052	116,235	-	-	423
Actuarial (Gain)/Loss.....	27,251	(158,538)	(26,678)	26,686	(158,829)	29,459
Benefit Payments.....	(222,157)	(240,657)	(244,308)	(247,596)	(273,297)	(276,497)
Net Change in Total Pension Liability.....	(25,477)	67,807	50,348	(14,878)	(213,196)	(26,480)
Total Pension Liability-April 1.....	3,288,208	3,220,401	3,170,053	3,184,931	3,398,127	3,424,607
Total Pension Liability-March 31.....	\$ 3,262,731	\$ 3,288,208	\$ 3,220,401	\$ 3,170,053	\$ 3,184,931	\$ 3,398,127
Plan Fiduciary Net Position (FNP)						
Contributions - employer.....	-	125,000	150,000	150,000	150,000	150,000
Net Investment Income.....	653,109	(161,327)	60,476	175,953	182,842	(21,283)
Benefit Payments.....	(222,157)	(240,657)	(244,308)	(247,596)	(273,297)	(276,497)
Net Change in Plan Fiduciary Net Position.....	430,952	(276,984)	(33,832)	78,357	59,545	(147,780)
Total Fiduciary Net Position-April 1.....	1,765,558	2,042,542	2,076,374	1,998,017	1,938,472	2,086,439
Total Fiduciary Net Position-March 31.....	\$ 2,196,510	\$ 1,765,558	\$ 2,042,542	\$ 2,076,374	\$ 1,998,017	\$ 1,938,472
Net Pension Liability (Asset)-March 31.....	\$ 1,066,221	\$ 1,522,650	\$ 1,177,859	\$ 1,093,679	\$ 1,186,914	\$ 1,459,655
Plan fiduciary net position as a percentage of the total pension liability.....	67.32%	53.69%	63.43%	65.50%	62.73%	57.05%
Covered payroll.....	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990
Net pension liability as of a percentage of covered payroll.....	303.78%	433.82%	335.58%	311.60%	338.16%	415.87%
Money-weighted rate of return.....	-8.35%	-8.35%	3.09%	9.07%	10.03%	-1.07%
Sensitivity of Total Pension Liability to changes in the Discount Rate +/-1%.....						
Total Pension Liability (Discount Rate).....	3,262,731	3,288,208	3,220,401	3,170,053	3,184,931	3,398,127
Total Pension Liability (Discount Rate + 1%).....	2,981,732	2,995,556	2,945,436	2,908,390	2,917,231	3,115,406
Total Pension Liability (Discount Rate - 1%).....	3,591,765	3,632,592	3,542,319	3,474,458	3,497,242	3,728,195

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
UNIFORMED EMPLOYEES' PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS

	FISCAL YEAR ENDING MARCH 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarial Determined Contributions.....	\$ 295,393	\$ 178,339	\$ 178,339	\$ 212,536	\$ 212,536	\$ 199,227	\$ 199,227	\$ 251,551	\$ 251,551	\$ 293,522
Actual Contributions Deposited.....	-	125,000	150,000	150,000	150,000	150,000	275,000	-	210,325	216,269
Annual Contribution Deficiency/(Excess).....	\$ 295,393	\$ 53,339	\$ 28,339	\$ 62,536	\$ 62,536	\$ 49,227	\$ (75,773)	\$ 251,551	\$ 41,226	\$ 77,253
Covered Payroll.....	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990	\$ 350,990	\$ 478,997	\$ 478,997	\$ 490,972
Contributions as a Percentage of Covered Payroll.....	0.00%	35.61%	42.74%	42.74%	42.74%	42.74%	78.35%	0.00%	43.91%	44.05%

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.....	5.50%
Investment rate of return.....	5.50%
Salary increases, including inflation.....	0.00%
Inflation.....	3.00%
Mortality of Employees.....	SOA Pub 2010 Public Safety Table, projected generationally with MP-2019 improvement scale
Termination Rates.....	None
Disablement Rates.....	None
Retirement Age.....	100% retirement at age 60

Assumptions for Retired Employees:

Investment Return.....	5.50%
Mortality of Employees.....	SOA Pub 2010 Public Safety Table, projected generationally with MP-2019 improvement scale

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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, 2021

	Police Training Fund	NW TIF Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments.....	\$ 6,198	\$ 208,586	\$ 214,784
Receivables (net):			
Municipal taxes.....	-	586	586
Other receivables.....	316	-	316
TOTAL ASSETS.....	<u>\$ 6,514</u>	<u>\$ 211,890</u>	<u>\$ 218,404</u>
Liabilities			
None.....	\$ -	\$ -	\$ -
Deferred Inflows of Resources			
Unavailable revenue-property taxes	\$ -	\$ 1,707	\$ 1,707
Total Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 1,707</u>	<u>\$ 1,707</u>
Fund Balances			
Restricted for:			
Police training.....	6,514	-	6,514
Tax increment financing.....	-	210,183	210,183
Total Fund Balances	<u>6,514</u>	<u>210,183</u>	<u>216,697</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 6,514</u>	<u>\$ 211,890</u>	<u>\$ 218,404</u>

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, 2021

	Police Training Fund	NW TIF Fund	Total Governmental Funds
REVENUES			
Property tax.....	\$ -	\$ 11,155	\$ 11,155
Sales tax.....	-	8,476	8,476
Miscellaneous.....	5,048	-	5,048
Total Revenues.....	5,048	19,631	24,679
EXPENDITURES			
Current:			
Administration.....	-	20,865	20,865
Police department.....	2,631	-	2,631
Total Expenditures.....	2,631	20,865	23,496
NET CHANGE IN FUND BALANCES.....	2,417	(1,234)	1,183
FUND BALANCES, APRIL 1.....	4,097	211,417	215,514
FUND BALANCES, MARCH 31.....	\$ 6,514	\$ 210,183	\$ 216,697

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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Miscellaneous.....	\$ 9,500	\$ 9,500	\$ 5,048	\$ (4,452)
EXPENDITURES				
Current:				
Police department.....	9,260	9,260	2,631	(6,629)
NET CHANGE IN FUND BALANCE.....	<u>\$ 240</u>	<u>\$ 240</u>	2,417	<u>\$ 2,177</u>
FUND BALANCE, APRIL 1.....			4,097	
FUND BALANCE, MARCH 31.....			<u>\$ 6,514</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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 31,735	\$ 31,735	\$ 11,155	\$ (20,580)
Sales Tax.....	8,000	8,000	8,476	476
Total Revenues.....	<u>39,735</u>	<u>39,735</u>	<u>19,631</u>	<u>(20,104)</u>
EXPENDITURES				
Current:				
Administration.....	16,870	21,870	20,865	(1,005)
Debt service:.....				
Interest.....	1,500	1,500	-	(1,500)
Total Expenditures.....	<u>18,370</u>	<u>23,370</u>	<u>20,865</u>	<u>(2,505)</u>
NET CHANGE IN FUND BALANCE.....	<u><u>\$ 21,365</u></u>	<u><u>\$ 16,365</u></u>	(1,234)	<u><u>\$ (17,599)</u></u>
FUND BALANCE, APRIL 1.....			<u>211,417</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 210,183</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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 830,000	\$ 830,000	\$ 761,205	\$ (68,795)
Miscellaneous.....	500	500	-	(500)
Total Revenues.....	<u>830,500</u>	<u>830,500</u>	<u>761,205</u>	<u>(69,295)</u>
EXPENDITURES				
Debt service:				
Principal.....	525,000	525,000	525,000	-
Interest and fiscal charges.....	281,529	281,529	273,924	(7,605)
Total Expenditures.....	<u>806,529</u>	<u>806,529</u>	<u>798,924</u>	<u>(7,605)</u>
NET CHANGE IN FUND BALANCE.....	<u><u>\$ 23,971</u></u>	<u><u>\$ 23,971</u></u>	(37,719)	<u><u>\$ (61,690)</u></u>
FUND BALANCE, APRIL 1.....			<u>554,219</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 516,500</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-GENERAL CAPITAL PROJECTS FUND
FOR THE YEAR ENDED MARCH 31, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Sales tax - capital improvement.....	\$ 343,000	\$ 343,000	\$ 309,158	\$ (33,842)
Intergovernmental:				
Grant income.....	12,500	12,500	4,500	(8,000)
Miscellaneous revenue.....	500	500	-	(500)
Total Revenues.....	<u>356,000</u>	<u>356,000</u>	<u>313,658</u>	<u>(42,342)</u>
EXPENDITURES				
Administration.....	175,916	175,916	199,283	23,367
Capital outlay.....	122,700	122,700	27,161	(95,539)
Total Expenditures.....	<u>298,616</u>	<u>298,616</u>	<u>226,444</u>	<u>(72,172)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>57,384</u>	<u>57,384</u>	<u>87,214</u>	<u>29,830</u>
OTHER FINANCING SOURCES (USES)				
Transfer out.....	-	-	(13,690)	(13,690)
Sale of capital assets.....	9,000	9,000	-	(9,000)
Total Other Financing Sources (Uses).....	<u>9,000</u>	<u>9,000</u>	<u>(13,690)</u>	<u>(22,690)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 66,384</u>	<u>\$ 66,384</u>	73,524	<u>\$ 7,140</u>
FUND BALANCE, APRIL 1.....			<u>187,146</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 260,670</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, 2021

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental:				
Gasoline tax.....	\$ 125,000	\$ 125,000	\$ 116,085	\$ (8,915)
Motor vehicle tax.....	65,000	65,000	70,409	5,409
Road and bridge.....	110,000	110,000	108,486	(1,514)
Grant income.....	282,818	282,818	60,294	(222,524)
Other governments.....	266,521	266,521	266,521	-
Total Revenues.....	<u>849,339</u>	<u>849,339</u>	<u>621,795</u>	<u>(227,544)</u>
EXPENDITURES				
Capital outlay.....	<u>719,762</u>	<u>572,210</u>	<u>376,147</u>	<u>(196,063)</u>
Total Expenditures.....	<u>719,762</u>	<u>572,210</u>	<u>376,147</u>	<u>(196,063)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>129,577</u>	<u>277,129</u>	<u>245,648</u>	<u>(31,481)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in.....	<u>175,000</u>	<u>175,000</u>	<u>188,690</u>	<u>13,690</u>
Total Other Financing Sources (Uses).....	<u>175,000</u>	<u>175,000</u>	<u>188,690</u>	<u>13,690</u>
NET CHANGE IN FUND BALANCE.....	<u><u>\$ 304,577</u></u>	<u><u>\$ 452,129</u></u>	434,338	<u><u>\$ (17,791)</u></u>
FUND BALANCE, APRIL 1.....			<u>419,414</u>	
FUND BALANCE, MARCH 31.....			<u><u>\$ 853,752</u></u>	

See accompanying independent auditor's report.

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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.	73
Revenue Capacity These schedules contain to help the reader assess the City’s most significant local revenue sources.	80
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.	85
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.	90
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.	93

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,											
	2021	2020	2019	2018		2017		2015		2014		2012
				Restated	Restated	Restated	Restated	Restated	Restated	Restated	Restated	
Governmental Activities												
Net investment in capital assets.....	\$ 10,725,382	\$ 10,508,086	\$ 9,592,045	\$ 9,863,313	\$ 7,739,703	\$ 6,040,314	\$ 5,145,780	\$ 5,143,471	\$ 4,840,917	\$ 4,208,402		
Restricted.....	4,377,313	3,965,191	3,846,306	3,137,834	2,912,080	7,281,433	2,676,982	2,437,373	2,209,690	5,196,270		
Unrestricted (deficit).....	(24,602,362)	(23,905,274)	(23,790,043)	(24,093,536)	(22,658,213)	(26,495,439)	(20,478,430)	(20,863,671)	(18,774,601)	(21,271,210)		
Total Governmental Activities Net Position.....	<u>\$ (9,499,667)</u>	<u>\$ (9,431,997)</u>	<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>		

Source: Basic Financial Statements

GASB 65 was implemented in 2013

GASB 67 and 68 was implemented in 2015

GASB 84 was implemented in 2021

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

For The Years Ended March 31,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
				Restated			Restated	Restated		Restated
EXPENSES										
Administration.....	\$ 834,995	\$ 928,680	\$ 1,093,594	\$ 1,051,998	\$ 930,244	\$ 789,683	\$ 749,246	\$ 1,763,689	\$ 841,141	\$ 897,961
Fire department.....	1,269,206	1,165,102	995,953	980,303	1,064,999	978,252	988,973	1,075,281	970,839	894,295
Housing department.....	22,627	22,331	20,404	16,515	19,348	22,425	45,168	49,795	35,535	75,067
Municipal court.....	115,391	157,864	147,198	148,024	153,314	159,665	156,804	158,376	144,443	124,764
Parks and recreation.....	246,228	215,426	254,751	244,347	235,426	242,355	231,874	146,359	136,525	126,532
Police department.....	1,329,798	1,160,511	903,262	945,627	1,060,747	959,073	1,002,792	963,025	969,445	939,677
Public works.....	876,508	863,469	873,805	863,473	725,860	745,081	674,002	785,776	720,896	605,242
Economic development.....	-	-	-	-	-	-	-	-	25,982	3,545,333
Interest on long-term debt and fiscal charges.....	1,772,063	1,741,765	1,729,498	1,800,626	1,807,321	2,951,941	1,495,317	2,000,744	1,527,335	1,513,982
Total Expenses.....	6,466,816	6,255,148	6,018,465	6,050,913	5,997,259	6,848,475	5,344,176	6,943,045	5,372,141	8,722,853
PROGRAM REVENUES										
Charges for services: ^a										
Administration.....	169,768	235,192	234,882	231,618	249,341	218,260	218,092	231,516	193,375	184,877
Municipal court.....	169,293	417,618	195,576	373,712	422,021	439,518	547,833	525,694	-	-
Parks and recreation.....	10,593	7,427	3,873	6,760	5,529	7,986	11,351	10,453	9,823	10,571
Police department.....	5,108	8,655	6,581	9,493	12,274	17,050	15,685	14,650	660,923	424,683
Public works.....	-	-	-	-	-	-	-	-	54,471	54,516
Operating grants and contributions.....	360,202	385,845	345,177	356,030	371,257	364,094	332,642	333,694	273,754	283,439
Capital grants and contributions.....	331,315	340,626	106,094	312,201	305,839	520,393	57,602	117,479	403,918	983,179
Total Program Revenues.....	1,046,279	1,395,363	892,183	1,289,814	1,366,261	1,567,301	1,183,205	1,233,486	1,596,264	1,941,265
NET REVENUES (EXPENSES).....	(5,420,537)	(4,859,785)	(5,126,282)	(4,761,099)	(4,630,998)	(5,281,174)	(4,160,971)	(5,709,559)	(3,775,877)	(6,781,588)

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

For The Years Ended March 31,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
				Restated			Restated	Restated		Restated
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Taxes: ^b										
Property	1,186,194	1,163,288	1,170,341	1,049,007	1,231,946	658,471	643,538	656,942	1,092,999	1,096,846
Sales.....	1,936,192	2,137,844	2,068,114	2,023,605	2,013,816	1,954,075	1,833,211	1,776,909	1,983,516	2,200,157
TIF revenues.....	1,166,118	1,629,718	1,692,185	1,670,695	1,666,094	1,263,935	654,075	771,889	-	-
Utility gross receipts.....	633,996	688,087	775,326	761,382	741,534	720,777	777,392	810,886	861,544	849,723
Other taxes.....	74,947	80,109	83,766	86,626	92,136	97,496	96,843	88,906	22,705	23,027
Investment income.....	1,792	42,568	47,036	33,942	8,337	11,006	14,899	21,064	26,345	26,621
Other revenues.....	353,628	26,361	28,405	49,883	43,750	43,541	50,404	24,130	19,850	40,815
Gain on sale of capital assets.....	-	11,505	1,806	-	647	13,849	210	-	-	12,143
Decrease in net pension liability.....	-	-	-	-	-	-	216,085	-	-	-
Total General Revenues.....	5,352,867	5,779,480	5,866,979	5,675,140	5,798,260	4,763,150	4,286,657	4,150,726	4,006,959	4,249,332
PRIOR PERIOD ADJUSTMENT.....	-	-	-	-	-	-	501,473	-	-	-
CHANGES IN NET POSITION.....	\$ (67,670)	\$ 919,695	\$ 740,697	\$ 914,041	\$ 1,167,262	\$ (518,024)	\$ 627,159	\$ (1,558,833)	\$ 231,082	\$ (2,532,256)

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental Activities										
Administration.....	\$ 169,768	\$ 236,692	\$ 239,292	\$ 231,618	\$ 260,082	\$ 225,059	\$ 218,092	\$ 231,516	\$ 193,375	\$ 184,877
Fire department.....	-	-	33,051	-	-	15,000	-	700	-	237,500
Municipal court.....	169,293	417,618	195,576	373,712	422,021	439,518	547,833	525,694	-	-
Parks and recreation.....	11,824	323,677	3,873	318,961	5,529	14,386	11,351	17,354	136,373	33,971
Police department.....	10,315	22,791	25,431	10,493	12,274	17,050	42,281	20,302	664,842	434,419
Public works.....	685,079	394,585	394,960	355,030	666,355	856,288	363,648	437,920	601,674	1,050,498
Total Governmental Activities.....	\$ 1,046,279	\$ 1,395,363	\$ 892,183	\$ 1,289,814	\$ 1,366,261	\$ 1,567,301	\$ 1,183,205	\$ 1,233,486	\$ 1,596,264	\$ 1,941,265

Source: Basic Financial Statements

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

	For The Years Ended March 31,										2012
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	Restated
General Fund											
Nonspendable.....	\$ 26,447	\$ 34,313	\$ 30,933	\$ 34,200	\$ 58,867	\$ 77,630	\$ 112,448	\$ 135,414	\$ 132,688	\$ 139,114	\$ 139,114
Restricted.....	-	-	-	-	-	-	-	497,012	330,027	105,189	105,189
Assigned - Subsequent year's budget.....	-	-	-	-	-	-	-	28,616	-	195,647	195,647
Unassigned.....	839,530	952,568	1,108,030	1,696,908	1,777,910	1,824,109	1,775,668	1,627,117	1,684,658	1,737,329	1,737,329
Total General Fund.....	\$ 865,977	\$ 986,881	\$ 1,138,963	\$ 1,731,108	\$ 1,836,777	\$ 1,901,739	\$ 1,888,116	\$ 2,288,159	\$ 2,147,373	\$ 2,177,279	\$ 2,177,279
All other governmental funds											
Nonspendable.....	\$ 879	\$ 1,084	\$ 866	\$ 890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:											
Capital projects.....	1,114,422	606,560	682,624	2,963,259	6,719,220	1,161,925	1,625,836	1,852,384	2,407,988	\$ 3,512,985	\$ 3,512,985
Debt service.....	516,500	554,219	411,012	414,915	347,636	274,187	254,701	303,188	373,795	434,858	434,858
Law enforcement.....	-	-	-	-	-	2,555	-	3,868	8,034	-	-
Parks and stormwater.....	271,032	239,924	204,553	192,410	373,128	438,755	392,257	-	-	-	-
Police training.....	6,514	4,097	2,590	10,645	9,204	6,456	16,356	15,092	12,223	4,605	4,605
Sewer Lateral.....	27,482	27,822	25,664	30,057	29,410	11,093	32,763	11,741	4,084	22,043	22,043
Tax Increment Financing.....	2,337,925	2,555,979	2,544,004	2,513,158	2,775,228	2,677,208	972,413	1,026,833	1,081,487	1,116,590	1,116,590
Total All Other Governmental Funds.....	\$ 4,274,754	\$ 3,989,685	\$ 3,871,313	\$ 6,125,334	\$ 10,253,826	\$ 4,572,179	\$ 3,294,326	\$ 3,213,106	\$ 3,887,611	\$ 5,091,081	\$ 5,091,081

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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
REVENUES:										
Property taxes.....	\$ 1,685,156	\$ 1,942,455	\$ 1,685,055	\$ 1,813,467	\$ 1,596,209	\$ 1,227,325	\$ 860,002	\$ 1,056,616	\$ 1,091,603	\$ 1,155,633
Gross receipts taxes.....	686,223	745,425	836,361	825,303	810,965	795,567	851,530	877,088	861,544	849,723
Sales tax.....	2,475,779	3,123,809	3,136,147	3,075,486	3,150,206	2,697,840	2,217,492	2,158,184	1,983,516	2,200,157
Licenses, permits, fines and fees.....	353,173	642,495	430,955	603,723	673,085	673,462	760,854	772,181	819,150	600,294
Intergovernmental.....	967,769	367,020	376,110	316,647	638,863	823,715	352,051	295,796	690,358	1,256,402
Investment income.....	1,791	42,568	47,036	33,943	8,337	10,453	26,240	26,285	26,345	26,621
Miscellaneous.....	116,037	424,665	103,699	440,424	122,490	135,355	127,286	222,095	109,746	126,758
Total Revenues.....	<u>6,285,928</u>	<u>7,288,437</u>	<u>6,615,363</u>	<u>7,108,993</u>	<u>7,000,155</u>	<u>6,363,717</u>	<u>5,195,455</u>	<u>5,408,245</u>	<u>5,582,262</u>	<u>6,215,588</u>
EXPENDITURES:										
Administration.....	713,347	782,613	843,579	994,559	867,205	752,510	735,528	676,900	785,039	807,756
Fire department.....	1,036,368	1,072,114	1,028,871	985,779	972,092	930,687	891,390	867,379	866,722	818,660
Housing department.....	22,627	22,331	20,404	16,515	20,422	22,995	44,851	48,673	35,205	79,631
Municipal court.....	113,957	157,116	146,989	146,007	150,564	158,064	154,698	166,321	141,896	123,489
Parks and recreation.....	172,167	216,069	218,014	220,922	210,662	207,170	206,517	117,095	122,187	115,751
Police department.....	1,063,856	1,113,845	1,052,906	1,013,137	982,930	957,421	920,900	938,699	970,295	910,874
Public works.....	360,543	382,211	396,450	429,934	400,192	378,221	387,787	461,299	523,286	459,138
Economic development.....	-	-	-	-	-	-	-	-	25,982	3,545,333
Capital outlay.....	477,465	1,148,741	3,284,685	5,150,293	2,183,684	1,719,077	1,059,894	1,410,542	2,105,651	2,126,698
Debt service:										
Principal.....	1,300,000	1,525,000	1,505,000	1,370,000	1,245,000	236,784	238,276	247,985	414,959	674,478
Interest.....	861,433	913,612	966,437	1,032,788	932,938	4,706,650	874,647	1,007,431	836,458	4,822,514
General obligation bonds issuance cost.....	-	-	-	79,229	110,621	-	-	-	-	-
Total Expenditures.....	<u>6,121,763</u>	<u>7,333,652</u>	<u>9,463,335</u>	<u>11,439,163</u>	<u>8,076,310</u>	<u>10,069,579</u>	<u>5,514,488</u>	<u>5,942,324</u>	<u>6,827,680</u>	<u>14,484,322</u>
REVENUES OVER (UNDER)	<u>164,165</u>	<u>(45,215)</u>	<u>(2,847,972)</u>	<u>(4,330,170)</u>	<u>(1,076,155)</u>	<u>(3,705,862)</u>	<u>(319,033)</u>	<u>(534,079)</u>	<u>(1,245,418)</u>	<u>(8,268,734)</u>
EXPENDITURES										
OTHER FINANCING SOURCES (USES)										
Transfers in.....	188,690	175,000	433,282	580,000	275,000	175,020	1,130,276	33,455	-	-
Transfers out.....	(188,690)	(175,000)	(433,282)	(580,000)	(275,000)	(175,020)	(1,130,276)	(33,455)	-	-
Sale of capital assets.....	-	11,505	1,806	16,780	646	13,849	210	361	8,000	12,143
Bond issuance costs.....	-	-	-	-	-	(713,263)	-	-	-	(77,176)
Payment to refunded bond escrow agent.....	-	-	-	(3,202,675)	-	(18,812,199)	-	-	-	-
Issuance of long-term debt.....	-	-	-	3,079,974	6,100,000	24,508,951	-	-	-	22,757,037
Refunding of long-term debt.....	-	-	-	-	-	-	-	-	-	(11,600,000)
Premium of long-term debt.....	-	-	-	201,930	592,194	-	-	-	-	74,209
Total Other Financing Sources (Uses).....	-	11,505	1,806	96,009	6,692,840	4,997,338	210	361	8,000	11,166,213
NET CHANGES IN FUND BALANCES.....	<u>\$ 164,165</u>	<u>\$ (33,710)</u>	<u>\$ (2,846,166)</u>	<u>\$ (4,234,161)</u>	<u>\$ 5,616,685</u>	<u>\$ 1,291,476</u>	<u>\$ (318,823)</u>	<u>\$ (533,718)</u>	<u>\$ (1,237,418)</u>	<u>\$ 2,897,479</u>
Debt service as a percentage of noncapital expenditures.....	37.6%	38.6%	38.0%	37.6%	36.5%	58.1%	24.2%	26.3%	26.0%	44.8%

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
2021	\$ 1,685,156	\$ 2,475,779	\$ 686,223	\$ 967,769	\$ 5,814,927
2020	1,942,455	3,123,809	745,425	367,020	6,178,709
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

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
2020	\$ 87,580,010	\$ 38,024,783	\$ 14,288,371	\$ 139,893,164	0.887 *	\$ 622,644,268
2019	86,734,120	37,330,049	13,535,090	137,599,259	0.894 *	613,761,102
2018	70,218,580	35,407,611	13,425,466	119,051,657	1.077 *	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

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 2010 through 2020 reflects a 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
City of Rock Hill Direct Rates:										
General Fund.....	0.2250	0.2260	0.2700	0.2825	0.2938	0.2926	0.2890	0.2880	0.3010	0.2780
Debt Service.....	0.6380	0.6450	0.7950	0.8050	0.7950	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.....	0.0880	0.0880	0.0980	0.0980	0.1030	0.1030	0.1050	0.1050	0.1050	0.1050
St. Louis County.....	0.3550	0.3550	0.3910	0.3910	0.4120	0.4120	0.4180	0.4180	0.4180	0.4180
St. Louis Community College.....	0.1987	0.1986	0.2129	0.2112	0.2176	0.2176	0.2200	0.2200	0.2200	0.2200
Special School District.....	1.1077	1.1077	1.1980	1.1912	1.2348	1.2348	1.2609	1.2400	1.012	1.0125
Metro Zoo.....	0.2532	0.2549	0.2724	0.2694	0.2777	0.2777	0.2797	0.2797	0.2684	0.2671
Sheltered Workshop.....	-	-	0.0840	0.0840	0.0880	0.0880	0.0900	0.0890	0.0840	0.0840
Rock Hill Library.....	0.2260	0.2270	0.2710	0.2700	0.2820	0.2820	0.2910	0.2900	0.2850	0.2700
Metro Sewer District*	0.1078	0.1077	0.1170	0.1159	0.0876	0.0876	0.0879	0.0874	0.0635	0.0818
Dev. Disability-Productive Live.....	0.0750	0.0750	-	-	-	-	-	-	-	-
Deer Creek Sewer*	0.0690	-	-	-	0.0830	0.0830	0.0860	0.0860	0.0840	0.0840
Webster Groves School District.....	4.6753	4.6848	5.3654	5.3253	5.6722	5.6722	5.8584	5.8576	5.7588	5.7555

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	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
	Market at McKnight (Novus).....	\$ 7,652,970	1	5.47%	\$ 5,389,810	1
Missouri American Water Co.....	4,188,090	2	2.99%	839,120	5	0.85%
Stanford Court Apartments, LLC.....	2,825,500	3	2.02%	1,626,850	2	1.65%
EZ Storage Rock Hill LLC.....	1,817,660	4	1.30%	-	-	-
Novus Crestwood LLC.....	1,532,930	5	1.10%	-	-	-
CS3 BP Associates LLC.....	1,229,060	6	0.88%	-	-	-
Refrigeration Supplies Inc.....	1,085,860	7	0.78%	455,700	10	0.46%
Dan L Shells LLC.....	982,970	8	0.70%	-	-	-
Waltrust Properties Inc.....	945,830	9	0.68%	770,620	8	0.78%
Missouri CVS Pharmacy LLC.....	844,800	10	0.60%	-	-	-
McKnight Development LLC.....	-	-	-	1,363,710	3	1.38%
Colonial Square Associates.....	-	-	-	928,000	4	0.94%
GBC Enterprises, LLC.....	-	-	-	832,030	6	0.84%
Rock Hill Partnership.....	-	-	-	778,240	7	0.79%
Manchester Speedway Co.....	-	-	-	512,450	9	0.52%
	<u>\$ 23,105,670</u>		<u>16.52%</u>	<u>\$ 13,496,530</u>		<u>13.68%</u>

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
2021	2020	\$ 1,175,861	\$ 978,889	83.25%	\$ -	\$ 978,889	83.25%	\$ 170,216	14.48%
2020	2019	1,165,183	1,001,905	85.99%	146,756	1,148,661	98.58%	-	0.00%
2019	2018	1,207,354	976,986	80.92%	167,245	1,144,231	94.77%	8,629	0.71%
2018	2017	1,211,907	926,287	76.43%	258,015	1,184,302	97.72%	2,923	0.24%
2017	2016	1,117,107	910,263	81.48%	168,312	1,078,575	96.55%	3,417	0.31%
2016	2015	674,586	559,612	82.96%	94,702	654,314	96.99%	-	0.00%
2015	2014	662,669	570,141	86.04%	82,950	653,091	98.55%	-	0.00%
2014	2013	666,551	547,842	82.19%	94,396	642,238	96.35%	-	0.00%
2013	2012	643,595	501,623	77.94%	68,028	569,651	88.51%	-	0.00%
2012	2011	606,765	519,970	85.70%	80,550	600,520	98.97%	-	0.00%

Source: St. Louis County Collector's office.

^a As of March 31, 2021

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			Total
					Public Safety Sales Tax	Transportation Development District	Community Improvement District	
2021	\$ 1,003,713	\$ 346,997	\$ 406,634	\$ 205,180	\$ 237,721	\$ 134,816	\$ 140,718	\$ 2,475,779
2020	1,189,117	452,102	489,717	244,858	255,154	241,826	251,035	3,123,809
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

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
	General Obligation Bonds	Increment Revenue Bonds	Increment Revenue Notes	Capital Leases	Tax	Tax			
2021	\$ 8,604,347	\$ 11,699,664	\$ 8,337,701	\$ -	\$ -	\$ 28,641,712	11.7%	\$ 6,029.83	
2020	9,178,262	12,465,726	8,337,701	-	-	29,981,689	17.3%	6,515	
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	-	23,472,552	16.0%	5,064	
2014	4,866,465	-	18,812,199	40,060	-	23,718,724	16.2%	5,117	
2013	5,084,360	-	18,812,199	78,044	-	23,974,603	16.7%	5,173	
2012	5,188,739	173,400	18,812,199	114,603	-	24,288,941	17.3%	5,240	

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
2021	\$ 7,986,995	1.3%	\$ 1,681
2020	8,648,537	1.4%	1,879
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

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 2012 - 2021.

^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,

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit.....	\$ 13,989,316	\$ 13,759,926	\$ 11,905,166	\$ 11,852,309	\$ 10,849,645	\$ 10,589,800	\$ 10,155,356	\$ 10,283,788	\$ 9,996,170	\$ 9,857,201
Net debt applicable to debt limit.....	7,415,601	8,534,974	9,044,974	9,529,974	10,000,000	4,335,000	4,555,000	4,770,000	4,980,000	5,185,000
Legal Debt Margin.....	\$ 6,573,715	\$ 5,224,952	\$ 2,860,192	\$ 2,322,335	\$ 849,645	\$ 6,254,800	\$ 5,600,356	\$ 5,513,788	\$ 5,016,170	\$ 4,672,201
Legal debt margin as a percentage of the debt limit.....	53.01%	62.03%	75.98%	80.41%	92.17%	40.94%	44.85%	46.38%	49.82%	52.60%

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, 2021

<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.....	\$ 68,775,000	0.5%	\$ 343,875
Webster Groves School District.....	63,049,000	14.4%	9,079,056
Subtotal, Overlapping Debt.....	<u>131,824,000</u>		<u>9,422,931</u>
City of Rock Hill			
General obligation bonds.....	\$ 8,604,347	100.0%	\$ 8,604,347
Tax increment financing bonds and notes....	20,037,365	100.0%	20,037,365
Subtotal, Direct Debt.....	<u>28,641,712</u>		<u>28,641,712</u>
 Total Direct And Overlapping Debt.....	 <u>\$ 160,465,712</u>		 <u>\$ 38,064,643</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
PLEGED 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		Debt Service		Coverage ^a
				Operating Expenditures	Net Available Revenues	Principal	Interest	
2021	\$ 613,668	\$ 531,111	\$ 910	\$ -	\$ 1,145,689	\$ 775,000	\$ 582,509	84.40%
2020	573,961	976,598	24,274	-	1,574,833	1,015,000	619,031	96.38%
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%

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 ^b	Median Household Income ^b	Personal Income ^a	Per Capita Income ^a	Webster Groves School District Enrollment	Unemployment Rate ^b
2021	4,750	83,398	245,375,500	51,658	4,633	4.2
2020	4,602	61,370	173,067,000	36,931	4,645	3.1
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

^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	2021		2012	
	Employees	Rank	Employees	Rank
New Growth Horizon.....	115	1		
Hacienda Mexican Restaurant.....	100	2	99	2
ARCO/Murray Corporate Services, Inc.....	95	3	73	3
Millman Lumber Co.....	82	4	61	5
W. Schiller & Co., Inc.....	75	5	72	4
Webster Groves School District.....	73	6		
RSI Kitchen and Bath.....	55	7	46	6
Integrated Payroll Services.....	50	8		
Walgreens.....	35	9	26	9
City of Rock Hill.....	32	10	30	8
Bandana's BBQ.....			35	7
Froesel Tire Service Company.....			25	10
Stein Mart.....			35	7
Woodward Cleaning & Restoration, Inc.....			192	1
	<u>712</u>		<u>694</u>	

Source: The above named companies

Note: Stein Mart closed nationwide in the summer of 2020. Woodward relocated most of their business operations out of the city. Bandana's BBQ and Froesel Tire Service remain within the city.

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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government:										
Administration.....	2.5	3	3	2	3	2	2	2	2	3
Fire department.....	10	10	10	10	10	10	10	9.5	9	10
Housing department.....	0.8	1	1	1	1	1	1	1	1	1
Municipal court.....	1	2	2	2	2	2	2	2	2	1
Parks and recreation.....	1.5	1	1	1	1	1	1	1	1	1
Police department.....	12	12	12	12	11	13	11.8	11.5	12	10
Public works.....	5	6	6	6	6	6	6	6	6	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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police department:										
Average number of calls per month.....	635	631	470	461	430	457	443	450	436	400
Average number of arrests per month.....	9	14	15	21	20	22	27	25	27	40
Number of crime incidences reported.....	1258	1344	1194	1075	1098	1055	1043	517	468	540
Fire department:										
Average number of fire calls per month.....	81	100	94	86	87	75	87	80	76	75
Housing/building inspections:										
Number of permits:										
Building (decks, porches, roofs, garages).	31	22	24	27	21	25	10	13	17	19
Driveways.....	14	5	10	9	12	4	3	7	4	15
Fences.....	35	40	44	29	21	34	29	26	9	24
Residential.....	257	451	78	388	242	169	203	197	98	148
Commercial.....	83	104	2	109	80	14	86	88	45	78
Cost of construction ^a:										
Building (decks, porches, roofs, garages).	\$ 200,022	\$ 160,551	\$ 78,256	\$ 133,900	\$ 123,400	\$ 121,300	\$ 70,344	\$ 54,000	\$ 150,984	\$ 85,350
Driveways.....	\$ 74,098	\$ 30,035	\$ 42,135	\$ 5,723	\$ 74,600	\$ 27,000	\$ 45,500	\$ 40,500	\$ 17,713	\$ 73,600
Fences.....	\$ 124,670	\$ 156,268	\$ 256,021	\$ 103,282	\$ 55,000	\$ 134,800	\$ 90,833	\$ 51,000	\$ 9,400	\$ 44,200
Residential.....	\$ 3,604,430	\$ 2,880,352	\$ 6,354,573	\$ 3,906,873	\$ 3,400,686	\$ 3,716,570	\$ 2,030,342	\$ 1,065,111	\$ 3,482,112	\$ 1,019,311
Commercial.....	\$ 8,282,377	\$ 2,266,569	\$ 437,211	\$ 7,220,071	\$ 1,821,030	\$ 4,439,652	\$ 5,280,222	\$ 4,987,191	\$ 1,160,862	\$ 7,350,637
Finance and administration:										
Business licenses issued (August 1).....	79	55	70	64	63	71	71	67	67	68
Merchant licenses issued (August 1).....	76	71	90	94	91	93	94	94	100	104
Liquor licenses issued (July 1).....	18	19	19	21	20	16	17	19	15	17

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,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Parks and recreation:										
Number of parks.....	6	6	6	6	7	7	7	7	7	7
Acres of parks.....	12	12	12	10.5	12	12	12	12	12	12
Number of tennis courts.....	4	4	4	4	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	6	6
Public works:										
Vehicles.....	5	8	8	6	6	6	6	5	5	5
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	328	328	327	327	327	327	327	327	327
Housing/building inspector:										
Vehicles.....	-	-	-	-	-	-	-	-	1	1
Other City owned property:										
Public works facility.....	1	1	1	1	1	1	1	1	1	1
City hall facilities (buildings).....	1	1	1	-	-	-	-	-	-	-
Park/pre-school building.....	-	-	-	-	-	-	-	-	1	1
Other property (parcels).....	3	4	4	3	3	3	3	3	3	3

Source: City records - various departments listed