

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

**FOR FISCAL YEAR ENDED
MARCH 31, 2023**

**Your go-to grocer
is almost here.**



**Project approved
by City
in October 2021.**

**Building permits
issued February 2022**



**Construction delayed
until August 2022
due to HVAC
back order**



***Grand Opening
March 30, 2023***



CITY OF ROCK HILL, MISSOURI

CITY OF ROCK HILL, MISSOURI

Annual Comprehensive Financial Report
For The Fiscal Year Ended March 31, 2023



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

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CITY OF ROCK HILL, MISSOURI
ANNUAL COMPREHENSIVE FINANCIAL REPORT

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Introductory Section

**CITY OF ROCK HILL, MISSOURI
PRINCIPAL CITY OFFICIALS**

Elected Officials (As of Report Date)

<u>Position</u>	<u>Name</u>	<u>Term</u>
Mayor	Edward Mahan	4/22 – 4/26
Alderman Ward 1	Tina Wiley	4/22 – 4/24
Alderman Ward 1	Edward Johnson	4/23 – 4/25
Alderwoman Ward 2	Jennifer R. Davis	4/22 – 4/24
Alderwoman Ward 2	Sabrina Westfall	4/23 – 4/25
Alderman Ward 3	Jeffrey Took	4/22 – 4/24
Alderwoman Ward 3	Robert Weider	4/23 – 4/25

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	Timothy Kendrick
Park and Recreation Director	Kathryn Nieman
Public Works Superintendent	Ron Meyer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
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Reporting

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**City of Rock Hill
Missouri**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

March 31, 2022

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

October 18, 2023

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 Annual Comprehensive Financial Report (ACFR) for fiscal year ended March 31, 2023, 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, 2023, 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, 2023. 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 4,750 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 32 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. The city granted approvals for the construction of 6 new houses, 4 residential additions, and 31 residential remodels between April 1, 2022 and March 31, 2023. These numbers are consistent with those over the last several years as residents continue to invest in their existing homes and homebuilders are purchasing and 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 St. Louis County COVID-19 restrictions were lifted during the fiscal year although hiring remained challenging for many businesses not only in the City but also throughout the St. Louis region. The majority of the City's businesses have adjusted their business practices and continue to operate, despite the hiring challenge. The City even saw the opening of several new businesses replacing a number of businesses that closed or

relocated from the City in the previous fiscal year. The long awaited Aldi's opened on March 30, 2023 to much fanfare from Rock Hill residents. Next to Aldi's, Foss Swim School opened in January 2023. Other new businesses include Chuck's Hot Chicken, Project 2 Boutique, and Mid Valley Radiants and Industrial. Millman Lumber Company started construction on a new, 2-story office building during the fiscal year. Lastly, the Missouri Department of Transportation started a two-year reconstruction project to bring pedestrian and ADA improvements to Manchester Road.

Long-term Financial Planning and Major Initiatives. In fiscal year 2023 the City added \$452,876 to fund balance. The ending unassigned fund balance is \$1,589,226 which is 49% of Fiscal Year 2023 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 43%, 30% and 11% of revenues, respectively.

The Board of Aldermen has approved two Tax Increment Financing (TIF) projects in the last fifteen years designed to improve sales tax revenues for the City. The first TIF is the McKnight Crossing development and was completed in 1999 with 40,000 square feet of retail and commercial space. December 1, 2012, the McKnight Crossing TIF revenue bonds were retired in full and the TIF district was terminated. The second TIF includes 46 acres split north and south of Manchester Road west of the McKnight intersection. The project is being done in two phases. Phase one (SW TIF), Market at McKnight, has 127,300 square feet of retail space and was substantially completed in 2008. The Market at McKnight continues to be a popular destination for shoppers in the area. The Market at McKnight lost Lucky's Market at the beginning of 2020. The above-mentioned Aldi grocery store replaced Lucky's Market and has been well received by the community. The Market's developer continues to seek a new tenant to fill the Stein Mart space. Club Fitness was replaced by Foss Swim School. Bandana's will be filled by a new restaurant set to open in Fiscal year 2024 Both of which are expected to open in the current fiscal year. 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 City completed work on Charleville Ave, Lithia Ave, and Warson Place.

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

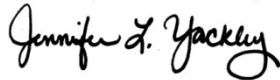
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended March 31, 2022. This was the twelfth year that the City has achieved this prestigious award. 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 ACFR 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

Financial Section

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, 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.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Rock Hill, Missouri and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rock Hill, Missouri's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Rock Hill, Missouri's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Rock Hill, Missouri's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining balance sheet, combining scheduled of revenues, expenditures and changes in fund balance, budgetary comparison information, statement of changes in assets and liabilities – custodial fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 – custodial fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2023, 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 City of Rock Hill, Missouri's internal control over financial reporting and compliance.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer & Williamson, CPAs
Saint Louis, Missouri
October 18, 2023

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the 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, the 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, 2023, and the related notes to the financial statements, which collectively comprise the City of Rock Hill, Missouri's basic financial statements, and have issued our report thereon dated October 18, 2023.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Rock Hill, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Rock Hill, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Rock Hill, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Rock Hill, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fick, Eggemeyer & Williamson

Fick, Eggemeyer, & Williamson, CPA's
Saint Louis, Missouri
October 18, 2022

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**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

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, 2023. 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 \$6,689,207 (*net position*). The City has an unrestricted deficit of net position totaling \$24,673,402. (see Table 1)

Table 1 Unrestricted Deficit Net Position Summary	
TIF bonds and notes net of unamortized bond discount and deferred amount on refunding	\$ (18,990,241)
Interest payable on the TIF bonds and notes	(6,564,627)
Positive change in net position from operations	881,466
Unrestricted deficit net position	\$ (24,673,402)

- The total cost of City programs increased by \$49,758, or 0.8% and net program costs (program revenues less program expenses) were \$120,660 more than they were in fiscal year 2023. (see Table 4)
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,393,357, which was an increase of \$1,692,492 in comparison with the prior year. This increase is primarily attributed sales tax increase of \$449,897, use of the American Rescue Plan Act (ARPA) funds of \$255,292 and installment purchase proceeds of \$562,581. Approximately 20% of the total amount is available for spending at the City's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,514,203, which was approximately 48% of total General Fund expenditures.
- The City's total long-term liabilities, net of premium and discount decreased \$472,422 during the current fiscal year. Table 2 below summarizes the items contributing to this decrease.

Table 2 Long-term Liabilities Decrease	
Debt repayment	\$ (1,010,000)
Amortization – premiums	(44,793)
Amortization – discount	8,938
Installment purchase proceeds	562,581
Change in compensated absences	10,852
Total decrease in long-term liabilities	\$ (472,422)

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

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.

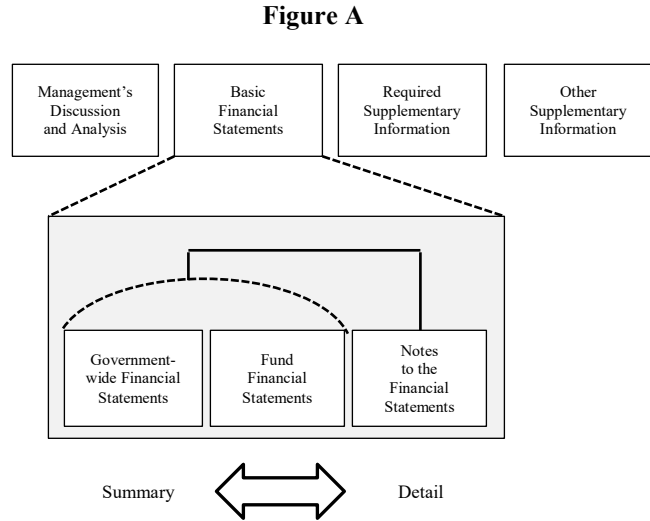


Figure B summarizes the major features of the City’s government-wide and fund financial statements, including the portion of the City government they cover and the types of information each contains. The remainder of this overview section of management’s discussion and analysis explains the structure 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
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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 21) 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 22) 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
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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, 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 23 through 26 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 27 and 28 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 29 through 53 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 54 through 60 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 61 through 69 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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

Net Position

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, combined net position (deficiency) increased to (\$6,689,207) from a deficit of (\$8,366,788), or 20% 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, 2023**

Table 3 Condensed Statement of Net Position				
	March 31,		2023 Change	
	2023	2022	Amount	Percent
ASSETS				
Current and other assets	\$ 8,779,520	\$ 7,808,873	\$ 970,647	12.4 %
Capital assets, net	19,255,238	19,395,649	(140,411)	(0.7)
Total Assets	28,034,758	27,204,522	830,236	3.0
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	70,097	78,860	(8,763)	(11.1)
Deferred - related to pension	292,146	526,650	(234,504)	(44.5)
Total Deferred Outflows of Resources	362,243	605,510	(243,267)	(40.2)
LIABILITIES				
Current liabilities	7,378,300	6,076,524	1,301,776	(21.4)
Long-term liabilities	27,111,804	28,314,168	(1,202,364)	(4.2)
Total Liabilities	34,490,104	34,390,692	(99,412)	(0.3)
DEFERRED INFLOWS OF RESOURCES				
Deferred - related to pension	596,104	1,786,128	(1,190,024)	(66.6)
NET POSITION				
Net investment in capital assets	11,918,945	11,458,735	460,210	4.0
Restricted	6,065,250	4,584,190	1,481,060	32.3
Unrestricted (deficit)	(24,673,402)	(24,409,713)	(263,689)	1.1
Total Net Position	\$ (6,689,207)	\$ (8,366,788)	\$ 1,677,581	20.0 %

A portion of the City's net position, \$11,918,945 in 2023, 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, \$6,065,250 in 2023, 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 \$24,673,402 in 2023. This deficit is comprised of \$881,466 in unrestricted net position from operations offset by an unrestricted net position deficit resulting from the balance of \$18,990,241 in TIF bonds and notes outstanding and interest payable on these bonds notes of \$6,564,627 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.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

Change in Net Position

Change in net position between 2023 and 2022 are shown in Table 4 below. The City's total revenues were \$7,524,232. Approximately 35% of those revenues came from sales taxes, 21% of the revenues from property tax, and 5% came from fees charged for services rendered. Most of the other remaining revenues came from utility taxes and other revenues. Change in net position increased the City's net position by \$1,677,581.

Table 4 Condensed Statement of Activities				
	For The Years Ended March 31,		2023 Change	
	2023	2022	Amount	Percent
PROGRAM REVENUES				
Charges for services	\$ 419,856	\$ 534,960	\$ (115,104)	(21.5) %
Operating grants and contributions	683,750	519,760	163,990	31.5
Capital grants and contributions	65,742	185,530	(119,788)	(64.6)
Total Program Revenues	1,169,348	1,240,250	(70,902)	(5.7)
EXPENSES				
Administration	886,914	972,381	(85,467)	(8.8)
Fire department	802,540	898,354	(95,814)	(10.7)
Housing department	23,345	23,869	(524)	(2.2)
Municipal court	89,551	85,576	3,975	4.6
Parks and recreation	312,047	278,907	33,140	11.9
Police department	932,454	837,169	95,285	11.4
Public works	928,481	888,192	40,289	4.5
Interest on long-term debt	1,871,319	1,812,445	58,874	3.2
Total Expenses	5,846,651	5,796,893	49,758	0.9
Net Program Cost	(4,677,303)	(4,556,643)	120,660	2.6
GENERAL REVENUES				
Property tax	1,614,085	1,489,069	125,016	8.4
Sales taxes	2,646,222	2,212,730	433,492	19.6
Utility gross receipts	766,712	690,041	76,671	11.1
Other taxes	1,237,716	1,165,401	72,315	6.2
Investment income	68,433	765	67,668	89.5
Gain on sale of capital assets	-	32,667	(32,667)	(100.0)
Other	21,716	98,849	(77,133)	(78.0)
Total General Revenues	6,354,884	5,689,522	665,362	11.7
CHANGE IN NET POSITION	1,677,581	1,132,879	544,702	48.1
NET POSITION, APRIL 1	(8,366,788)	(9,499,667)	1,132,879	11.9
NET POSITION, MARCH 31	\$ (6,689,207)	\$ (8,366,788)	\$ 1,677,581	20.0 %

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
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FOR THE YEAR ENDED MARCH 31, 2023**

- 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 2023 were 5,846,651, or 1,677,581 less than the total revenues generated. Expenses increased \$49,758 or less than 1% compared to 2022.

Key elements (see Table 4) of the increase or decrease in net position are listed below. It is important to note that in FY2023 the City was continuing to return to a more normal pattern, recreation programs opened and employees were back in the office.

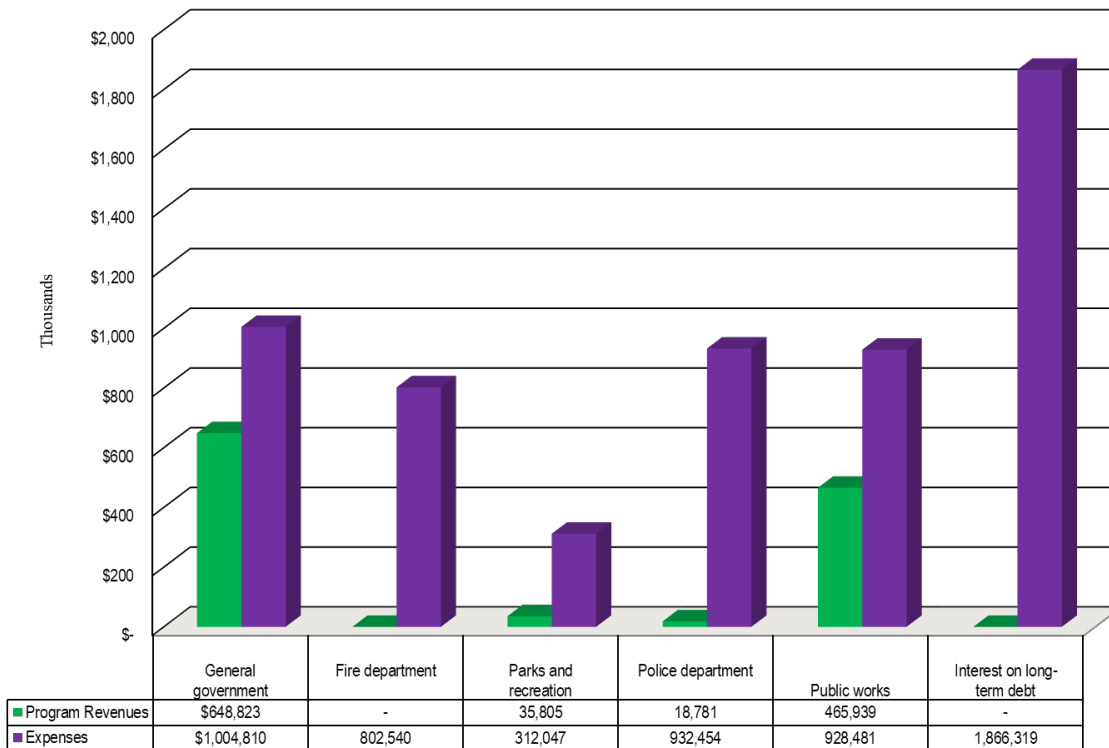
- Sales taxes, the City's largest revenue source, increased in 2023 by \$433,492. During FY2023, primarily attributed to new businesses opening that included Aldi's. All sales tax categories increased from 11% to 14%. In April 2021, voters approved a use tax which the City began receiving in the 3rd quarter of FY2022. FY2023 was the first full year for the use tax receipts which totaled \$185,848.
- Fire service costs decreased \$95,814 or (10.7%) primarily due to a decrease in the change in deferred outflows/deferred inflows related to pension and net pension asset of \$405,452.
- Police service costs increased \$95,285 or 11% primarily due to staff turnover causing high overtime usage and increase in workers compensation premium offset by the change in deferred outflows/deferred inflows related to pension and net pension asset of \$312,599.
- Administration service costs for 2023 decreased \$85,467 or (8.8%). The primary contributors are increases in salaries and contractual services that were offset by a decrease in the change in deferred outflows/deferred inflows related to pension and net pension asset of \$46,842.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

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 20% of program expenses. This resulted in a net cost (total cost of programs less fees generated by the activities and intergovernmental aid) of \$4.7 million. The net cost demonstrates the financial burden that was placed on the City by each of these functions. The City paid for this \$4.7 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**



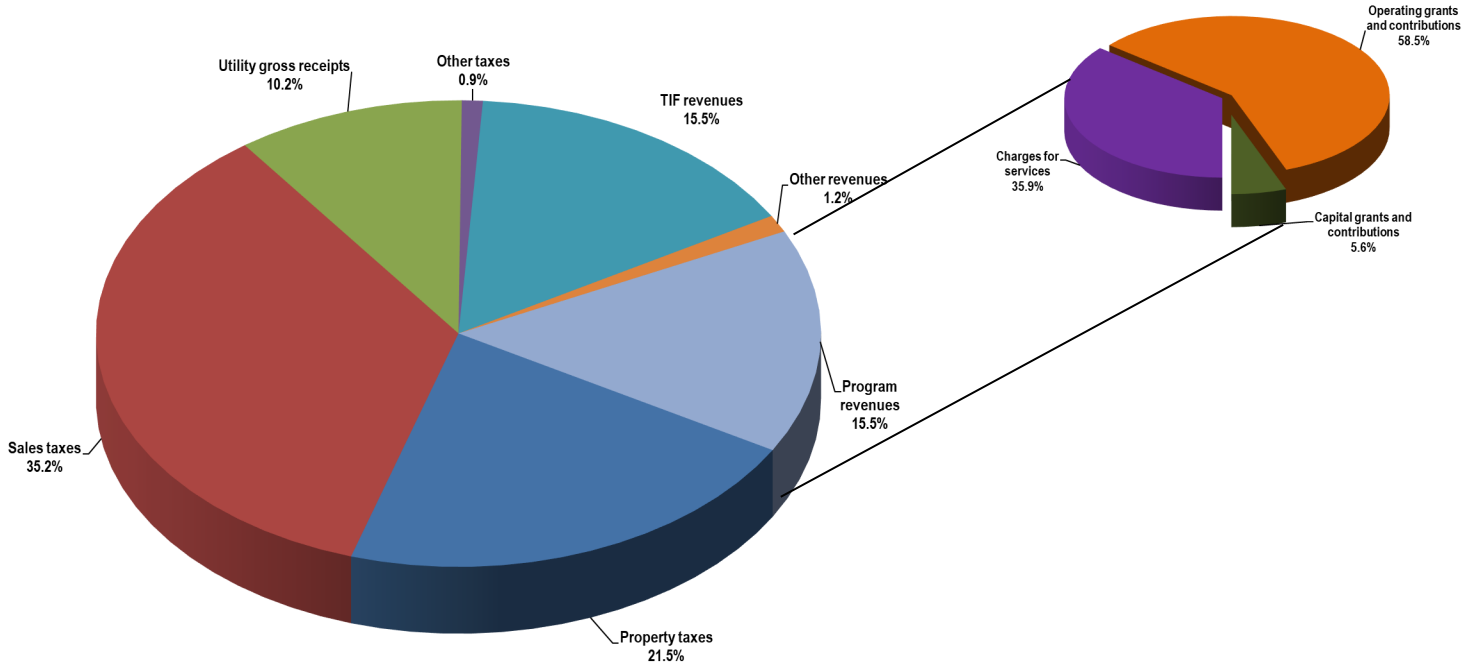
General revenues, which include such items as property taxes, sales taxes, utility taxes, and other revenue, were \$6.4 million or 84% of all City revenues (see Figure C-2). Program revenues accounted for the other 16%. Of that amount, charges for services, which include such items as business licenses, municipal court fines, and permits, accounted for 36% of program revenues.

Other key revenue items were as follows:

- Sales taxes were the City’s largest revenue source, generating 35% of all revenues.
- Property tax accounted for 21% of all revenues with 12% allocated to debt service and 5% allocated to pensions.
- 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 16% of all revenues but includes 15% TIF revenues.

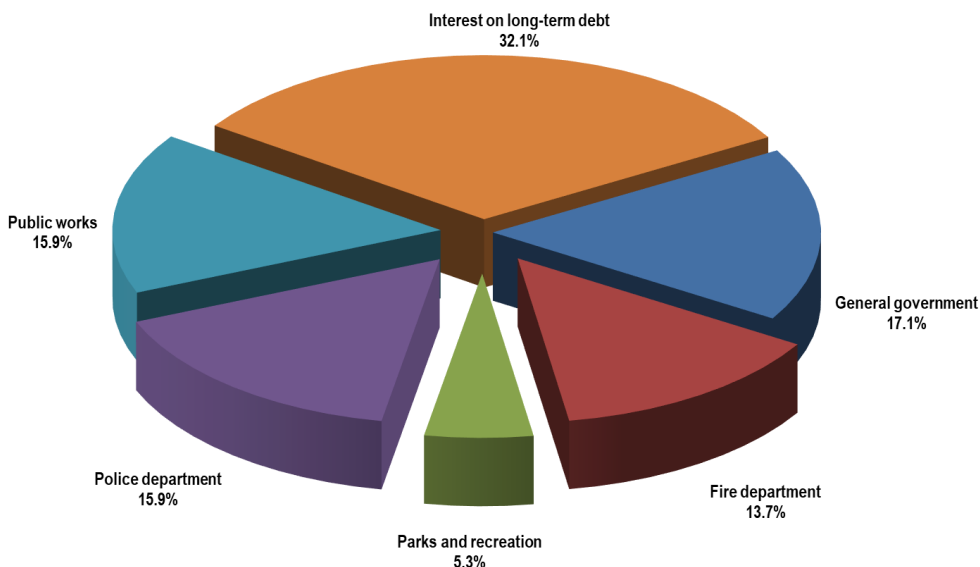
**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

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



The City's expenses cover a wide range of services, with 30% 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 16% of program expenses. Interest on long-term debt accounts for 32% and other city services (general government and parks) make up the remaining 22%.

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



**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

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, 2023, the City's governmental funds (presented in the balance sheet on page 21) reported a combined fund balance of \$7,393,357, which is an increase of \$1,692,492 in comparison to the prior year (as presented in the statement of revenues, expenditures, and changes in fund balances on page 23).

Approximately 20% of the governmental funds combined fund balances or \$1,514,203 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 (\$1,852,663), debt service (\$748,482), parks and stormwater (\$346,069), pensions (\$433,388), sewer lateral (\$2,821), tax increment financing (TIF) (\$2,420,708), advances (\$30,000) and prepaid items (\$45,023). 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, 2023		For the Year Ended March 31, 2022		Increase (Decrease) Amount
	Amount	Percent Of Total	Amount	Percent Of Total	
Property taxes	\$2,217,794	29.52 %	\$2,169,737	30.91 %	\$ 48,057
Gross receipts taxes	814,121	10.84	739,169	10.53	74,952
Sales tax	3,201,267	42.60	2,751,370	39.19	449,897
Licenses, permits, fines and fees	390,732	5.20	506,751	7.22	(116,019)
Intergovernmental	707,185	9.41	654,478	9.32	52,707
Park and recreation programs	24,103	0.32	18,576	0.26	5,527
Investment income	68,433	0.91	765	0.01	67,668
Miscellaneous income	90,305	1.20	179,534	2.56	(89,229)
Total Revenues	\$7,513,940	100.00 %	\$7,020,380	100.00 %	\$ 493,560
Other Financing Sources(Uses)	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022		Increase (Decrease) Amount
	Amount		Amount		
Sale of capital assets	\$ 46,653		\$ 75,000		\$ (28,347)
Insurance proceeds	35,568		-		35,568
Proceeds from installment purchase	562,581		-		562,581
Total Other Financing Sources (Uses)	\$ 644,802		\$ 75,000		\$ 569,802

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

Governmental funds expenditures decreased by \$68,996 compared to fiscal year 2023 (see Table 6). The decrease is primarily due staff turnover.

Expenditures by Function	For the Year Ended March 31, 2023		For the Year Ended March 31, 2022		Increase (Decrease) Amount
	Amount	Percent Of Total	Amount	Percent Of Total	
Administration	\$ 771,897	11.94 %	\$ 701,805	10.74 %	\$ 70,092
Fire department	1,013,430	15.67	1,042,936	15.96	(29,506)
Housing department	23,302	0.36	23,869	0.37	(567)
Municipal court	86,821	1.34	84,684	1.30	2,137
Parks and recreation	222,901	3.45	208,161	3.18	14,740
Police department	1,101,817	17.04	1,098,779	16.81	3,038
Public works	412,844	6.39	360,623	5.51	52,221
Pension	226,466	3.50	-	-	226,466
Capital outlay	811,704	12.55	1,040,818	15.93	(229,114)
Debit service:					
Principal	1,010,000	15.62	1,150,000	17.60	(140,000)
Interest and fiscal agent fees	785,068	12.14	823,571	12.60	(38,503)
Total Expenditures	\$ 6,466,250	100.00 %	\$ 6,535,246	100.00 %	\$ (68,996)

General Fund – The General Fund is the chief operating fund of the City. At the end of fiscal year 2023, the unassigned fund balance of the general fund was \$1,514,203, which was 95% of its total fund balance of \$1,589,226. 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 48% and 50% of total General Fund expenditures, respectively.

In fiscal year 2023, the General Fund's net change in fund balance before other financing sources (uses) increased \$553,666 which is an increase of \$362,507 from fiscal year 2022. See Table 7 on the next page. This increase is primarily due to all categories of sales tax revenues rebounding 11% to 14% and the first full fiscal year for the use tax.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

Table 7 General Fund – Schedule of Revenues, Expenditures, and Change in Fund Balance			
	For the Years Ended March 31,		Increase (Decrease)
	2023	2022	
Revenues			
Property tax	\$ 359,813	\$ 364,249	\$ (4,436)
Gross receipts taxes	814,121	739,169	74,952
Sales taxes	1,779,797	1,454,960	324,837
Licenses, permits, fines and fees	390,732	506,751	(116,019)
Intergovernmental	278,018	135,376	142,642
Investment income	67,417	386	67,031
Miscellaneous	28,569	98,360	(69,791)
Total Revenues	<u>3,718,467</u>	<u>3,299,251</u>	<u>419,216</u>
Expenditures			
Administration	524,285	501,160	23,125
Fire department	1,013,430	1,042,936	(29,506)
Housing department	23,302	23,869	(567)
Municipal court	86,821	84,684	2,137
Police department	1,101,817	1,089,644	12,173
Public works	412,844	360,623	52,221
Capital outlay	2,302	5,176	(2,874)
Total Expenditures	<u>3,164,801</u>	<u>3,108,092</u>	<u>56,706</u>
Net Change in Fund Balance	<u>\$ 553,666</u>	<u>\$ 191,159</u>	<u>\$ 362,507</u>

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

- In fiscal year 2023, sales taxes increased \$432,837 primarily due to the opening of new businesses that included Aldi’s.
- General Fund expenditures had a modest 1% increase. The increase was minimized compared to FY2022 as a result of staff turnover and the challenge to hire qualified staff.

SW TIF Fund – As of March 31, 2023, the fund balance was \$2,050,104, which was an increase of \$81,035 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.

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 2023, the fund’s fund balance increased \$702,512 primarily due to project delays for the fire pumper and the new ERP software. In addition to the project delays, the capital improvement sales taxes increased 14.4%.

Infrastructure Capital Projects Fund – At the end of 2023, the Infrastructure Capital Projects Fund’s ending fund balance was \$759,239, an increase of \$133,268 from the prior year. Street and storm water improvement projects are all financed through this fund. As of March 31, 2023, street projects completed and capitalized total \$470,987. The City continues the focus on street improvements and maintains a ten-year street improvement long-term plan that is updated annually.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

Debt Service Fund – At the end of 2023, the Debt Service Fund's ending fund balance was \$748,482, an increase of \$104,572 from the prior year.

Fiduciary Funds

The City maintained a fiduciary fund for the assets of the uniformed personnel through the Uniformed Employee Pension Trust Fund. In 2016 the Missouri Legislature enacted RSMo70.621 which allows the Missouri Local Government Employees' Retirement System (LAGERS) to become the plan administrator and trustee of frozen pension plans initially created by local governments. As of February 1, 2023, the City transferred to LAGERS \$2,172,951 in assets so that LAGERS could assume the role of plan administrator and trustee of the Uniformed Employee Pension Trust Fund pension plan. As of May 31, 2022, the City transferred to LAGERS the remaining assets of \$707. For FY2023 the Uniformed Employees' Pension Plan activity is included with LAGERS.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of March 31, 2023, the City had \$19,255,238 invested in a broad range of capital assets (net of accumulated depreciation) (see Table 8). This was a decrease of \$140,411 from the previous year. The City's investment in capital assets included roads, park playground equipment, and vehicles.

Major capital asset completed during the fiscal year were street improvements in the amount of \$664,815.

Table 8 Capital Assets, Net of Accumulated Depreciation				
Asset Class	March 31,		2023 Change	
	2023	2022	Amount	Percent
Land	\$ 166,610	\$ 273,357	\$ (106,747)	(39.0) %
Construction in progress	53,202	70,549	(17,347)	(24.6)
Buildings and improvements	6,733,745	6,928,454	(194,709)	(2.8)
Vehicles	132,143	93,948	38,195	40.6
Equipment	331,456	346,579	(15,123)	(4.4)
Infrastructure	11,838,082	11,682,762	155,320	1.3
Total Capital Assets, Net	\$ 19,255,238	\$ 19,395,649	\$ (140,411)	(0.7) %

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, 2023**

Long-term Liabilities

As of March 31, 2023, the City's long-term debt net of discounts and premiums total \$27,111,804 a decrease of \$472,422 or 1.7% compared to the prior year. Tax increment financing (TIF) debt is \$18,990,241 or 70.0% 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)

Liability Type	March 31,		2023 Change	
	2023	2022	Amount	Percent
General obligation bonds	\$ 7,415,981	\$ 8,015,774	\$ (599,793)	(6.8) %
Installment purchase agreement	562,581	-	562,581	100.0
Tax increment revenue bonds	10,652,540	11,098,602	(446,062)	(4.0)
Tax increment revenue notes	8,337,701	8,337,701	-	-
Compensated absence	143,001	132,149	10,852	8.0
Total Long-term Liabilities, Net	\$ 27,111,804	\$ 27,584,226	\$ (472,422)	(1.7) %

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

GENERAL FUND BUDGETARY HIGHLIGHTS

As of March 31, 2023, the City made amendments to the General Fund's original budget increasing expenditures \$198,980. Revenues were \$217,158 less than the final budget of \$3,935,625 primarily due decrease in court fines and cost and a delay in budgeted projects to be funded by the ARPA funds. Expenditures were \$98,570 below the final budget of \$3,263,371 due to various decreases in expenditures.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- General Fund expenditure budget for fiscal year 2024 increased before transfers 3% compared to fiscal year 2023 final budget. The expenditure budget increase is primarily due to the 4% salary increase and 5% health insurance increase.
- 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; 3) Ensure City capital funds remain stable and able to provide funding for continued street improvements; 4) Financial flexibility; 5) Improved service planning for the residents; 6) Sustainable growth; and 7) Manage low or no revenue growth.

**CITY OF ROCK HILL, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2023**

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, 2023

	Governmental Activities
ASSETS:	
Cash and investments.....	\$ 7,419,303
Receivables, net:	
Property tax.....	192,937
Municipal taxes.....	511,071
Intergovernmental.....	51,095
Other.....	16,369
Prepaid items.....	46,202
Net pension asset.....	542,543
Capital assets:	
Land and construction in progress.....	219,812
Other capital assets, net of accumulated depreciation.....	19,035,426
TOTAL ASSETS.....	\$ 28,034,758
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding.....	70,097
Deferred amounts related to pension.....	292,146
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	362,243
LIABILITIES:	
Accounts payable.....	77,956
Accrued payroll.....	74,197
Accrued interest.....	6,602,154
Unearned revenues.....	573,269
Plan deposits.....	49,214
Appearance bonds.....	1,510
Noncurrent liabilities:	
Due within one year.....	1,254,858
Due in more than one year.....	25,856,946
TOTAL LIABILITIES.....	34,490,104
DEFERRED INFLOWS OF RESOURCES:	
Deferred amounts related to pension.....	596,104
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	596,104
NET POSITION:	
Net investment in capital assets.....	\$ 11,918,945
Restricted for:	
Capital projects.....	1,852,663
Debt services.....	757,297
Parks and stormwater.....	346,069
Pensions.....	683,891
Sewer lateral.....	2,821
Tax increment financing.....	2,422,509
Unrestricted (deficit).....	(24,673,402)
TOTAL NET POSITION.....	\$ (6,689,207)

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, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net Revenues (Expenses) And Change In Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
Administration.....	\$ 891,914	\$ 241,287	\$ 256,627	\$ -	\$ (394,000)
Fire department.....	802,540	-	-	-	(802,540)
Housing department.....	23,345	-	-	-	(23,345)
Municipal court.....	89,551	150,909	-	-	61,358
Parks and recreation.....	312,047	24,103	1,302	10,400	(276,242)
Police department.....	932,454	3,557	2,131	13,093	(913,673)
Public works.....	928,481	-	423,690	42,249	(462,542)
Interest on long-term debt.....	1,866,319	-	-	-	(1,866,319)
Total Governmental Activities.....	\$ 5,846,651	419,856	683,750	65,742	(4,677,303)
General Revenues					
Taxes:					
<u>Property taxes levied for:</u>					
General purposes.....					361,982
Debt service.....					911,873
Pension.....					340,230
<u>Sales tax levied for:</u>					
General purposes.....					1,248,361
Fire protection.....					233,340
Public safety.....					298,096
Capital improvement.....					397,897
Park and stormwater.....					468,528
Cigarette taxes.....					22,726
Franchise taxes.....					47,409
TIF revenues.....					1,167,581
Utility gross receipts.....					766,712
Investment income.....					68,433
Other revenues.....					21,716
Total General Revenues.....					6,354,884
CHANGE IN NET POSITION.....					1,677,581
NET POSITION, APRIL 1.....					(8,366,788)
NET POSITION, MARCH 31.....					\$ (6,689,207)

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

CITY OF ROCK HILL, MISSOURI
BALANCE SHEET-GOVERNMENTAL FUNDS
MARCH 31, 2023

	General Fund	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.....	\$ -	\$ 848,393	\$ 572,172	\$ -	\$ -	\$ -	\$ 1,420,565
Restricted.....	-	1,099,880	-	-	-	-	1,099,880
Unrestricted.....	1,850,648	78,956	469,869	738,180	672,407	1,088,798	4,898,858
Receivables (net):							
Property tax.....	42,863	-	-	-	107,989	42,085	192,937
Municipal taxes.....	355,967	22,875	60,537	-	-	71,692	511,071
Intergovernmental.....	3,784	-	-	47,311	-	-	51,095
Other.....	14,817	-	-	-	-	1,552	16,369
Prepaid items.....	45,023	-	-	-	-	1,179	46,202
Advances to other funds.....	30,000	-	-	-	-	-	30,000
TOTAL ASSETS.....	2,343,102	2,050,104	1,102,578	785,491	780,396	1,205,306	8,266,977
LIABILITIES:							
Accounts payable.....	36,629	-	9,154	26,252	-	5,921	77,956
Accrued payroll.....	71,413	-	-	-	-	2,784	74,197
Plan deposits.....	49,214	-	-	-	-	-	49,214
Appearance bonds.....	1,510	-	-	-	-	-	1,510
Unearned revenue-ARPA receipts.....	573,269	-	-	-	-	-	573,269
Advances from other funds.....	-	-	-	-	-	30,000	30,000
Total Liabilities.....	732,035	-	9,154	26,252	-	38,705	806,146
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue-property taxes.....	12,670	-	-	-	31,914	13,719	58,303
Unavailable revenue-court receipts.....	9,171	-	-	-	-	-	9,171
Total Deferred Inflows of Resources.....	21,841	-	-	-	31,914	13,719	67,474
FUND BALANCES:							
Nonspendable:							
Long-term interfund advances.....	30,000	-	-	-	-	-	30,000
Prepaid items.....	45,023	-	-	-	-	1,179	46,202
Restricted for:							
Capital projects.....	-	-	1,093,424	759,239	-	-	1,852,663
Debt service.....	-	-	-	-	748,482	-	748,482
Parks and stormwater.....	-	-	-	-	-	344,890	344,890
Pensions.....	-	-	-	-	-	433,388	433,388
Sewer lateral.....	-	-	-	-	-	2,821	2,821
Tax increment financing.....	-	2,050,104	-	-	-	370,604	2,420,708
Unassigned.....	1,514,203	-	-	-	-	-	1,514,203
Total Fund Balances.....	1,589,226	2,050,104	1,093,424	759,239	748,482	1,152,882	7,393,357
TOTAL LIABILITIES, DEFERRED INFLOWS							
OF RESOURCES AND FUND BALANCES.....	\$ 2,343,102	\$ 2,050,104	\$ 1,102,578	\$ 785,491	\$ 780,396	\$ 1,205,306	\$ 8,266,977

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, 2023

Total Fund Balances - Governmental Funds..... \$ 7,393,357

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 \$25,684,808 and the accumulated depreciation is \$6,429,570..... 19,255,238

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.....	542,543
Deferred outflows - pension related.....	292,146
Deferred inflows - pension related.....	(596,104)

Some revenues are not available soon enough to pay for current expenditures and are not reported as revenues in the governmental funds..... 67,474

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.....	(143,001)
Accrued interest payable.....	(6,602,154)
Installment purchase payable.....	(562,581)
Bonds payable.....	(6,914,974)
Tax increment financing bonds.....	(10,765,000)
Tax increment financing notes.....	(8,337,701)
Deferred amount on refunding.....	70,097
Unamortized bond premium.....	(501,007)
Unamortized bond discount.....	112,460

Total Net Position of Governmental Activities..... \$ (6,689,207)

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, 2023

	General Fund	SW TIF Fund	General Capital Projects Fund	Infrastructure Capital Projects Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property tax.....	\$ 359,813	\$ 539,133	\$ -	\$ -	\$ 906,740	\$ 412,108	\$ 2,217,794
Gross receipts taxes.....	814,121	-	-	-	-	-	814,121
Sales tax.....	1,779,797	543,377	397,897	-	-	480,196	3,201,267
Licenses, permits, fines and fees.....	390,732	-	-	-	-	-	390,732
Intergovernmental.....	278,018	-	12,093	405,372	-	11,702	707,185
Park and recreation programs.....	-	-	-	-	-	24,103	24,103
Investment income.....	67,417	(8,575)	9,591	-	-	-	68,433
Miscellaneous.....	28,569	-	-	1,169	-	60,567	90,305
Total Revenues.....	<u>3,718,467</u>	<u>1,073,935</u>	<u>419,581</u>	<u>406,541</u>	<u>906,740</u>	<u>988,676</u>	<u>7,513,940</u>
EXPENDITURES							
Current:							
Administration.....	524,285	-	246,412	-	-	1,200	771,897
Fire department.....	1,013,430	-	-	-	-	-	1,013,430
Housing department.....	23,302	-	-	-	-	-	23,302
Municipal court.....	86,821	-	-	-	-	-	86,821
Parks and recreation.....	-	-	-	-	-	222,901	222,901
Police department.....	1,101,817	-	-	-	-	-	1,101,817
Public works.....	412,844	-	-	-	-	-	412,844
Pension.....	-	-	-	-	-	226,466	226,466
Capital outlay.....	2,302	-	191,249	498,273	-	119,880	811,704
Debt services:							
Principal.....	-	455,000	-	-	555,000	-	1,010,000
Interest and fiscal agent fees.....	-	537,900	-	-	247,168	-	785,068
Total Expenditures.....	<u>3,164,801</u>	<u>992,900</u>	<u>437,661</u>	<u>498,273</u>	<u>802,168</u>	<u>570,447</u>	<u>6,466,250</u>
REVENUES OVER(UNDER) EXPENDITURES.....	<u>553,666</u>	<u>81,035</u>	<u>(18,080)</u>	<u>(91,732)</u>	<u>104,572</u>	<u>418,229</u>	<u>1,047,690</u>
OTHER FINANCING SOURCES (USES)							
Transfers in.....	-	-	137,443	225,000	-	25,000	387,443
Transfers out.....	(162,443)	-	-	-	-	(225,000)	(387,443)
Sale of capital assets.....	46,653	-	-	-	-	-	46,653
Insurance proceeds.....	15,000	-	20,568	-	-	-	35,568
Proceeds from installment purchase.....	-	-	562,581	-	-	-	562,581
Total Other Financing Sources(Uses).....	<u>(100,790)</u>	<u>-</u>	<u>720,592</u>	<u>225,000</u>	<u>-</u>	<u>(200,000)</u>	<u>644,802</u>
NET CHANGE IN FUND BALANCE.....	<u>452,876</u>	<u>81,035</u>	<u>702,512</u>	<u>133,268</u>	<u>104,572</u>	<u>218,229</u>	<u>1,692,492</u>
FUND BALANCES, APRIL 1.....	1,132,136	1,969,069	390,912	625,971	643,910	934,653	5,696,651
PRIOR PERIOD ADJUSTMENTS.....	4,214	-	-	-	-	-	4,214
FUND BALANCE, APRIL 1 RESTATED.....	<u>1,136,350</u>	<u>1,969,069</u>	<u>390,912</u>	<u>625,971</u>	<u>643,910</u>	<u>934,653</u>	<u>5,700,865</u>
FUND BALANCES, MARCH 31.....	<u>\$ 1,589,226</u>	<u>\$ 2,050,104</u>	<u>\$ 1,093,424</u>	<u>\$ 759,239</u>	<u>\$ 748,482</u>	<u>\$ 1,152,882</u>	<u>\$ 7,393,357</u>

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, 2023

Net Change In Fund Balances - Governmental Funds..... \$ 1,692,492

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 (\$664,815) exceeded depreciation (\$698,479) in the current period..... (33,664)

In the statement of activities, the gain(loss) on the disposition of capital assets is reported. The fund financial statements recognize only the proceeds from the sale of those assets.
Gain(loss) on disposal of capital assets..... (106,747)

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 position, 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 position.

Debt issued during the current year:
Installment purchase agreement..... (562,581)
Repayments during the current year:
Bonds payable..... 1,010,000
Amortization of premiums on debt issuance..... 44,793
Amortization of discount on debt issuance..... (8,938)
Amortization of deferred charges on refunding..... (8,763)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:
Deferred revenues..... 10,291

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..... (10,853)
Accrued interest..... (1,113,342)
Net pension asset..... (190,627)
Deferred outflows - pension related..... (234,504)
Deferred inflows - pension related..... 1,190,024

Change in Net Position of Governmental Activities..... \$ 1,677,581

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, 2023

	Pension Trust Fund
ASSETS	
Cash.....	\$ -
Accrued interest and dividends.....	-
TOTAL ASSETS.....	-
LIABILITIES	
None.....	-
TOTAL LIABILITIES.....	-
NET POSITION	
Restricted for pension.....	\$ -
	-

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, 2023

	Pension Trust Fund
ADDITIONS	
Investment income	
Interest and dividends.....	\$ -
Net appreciation in fair value of investments.....	-
Total Investment Income (Expense).....	-
Employer contributions.....	-
Total Additions.....	-
DEDUCTIONS	
Benefits paid.....	
Fees paid.....	
Transfer to LAGERS.....	707
Total Deductions.....	707
CHANGE IN NET POSITION.....	(707)
NET POSITION RESTRICTED FOR PENSION, APRIL 1.....	707
NET POSITION RESTRICTED FOR PENSION, MARCH 31.....	\$ -

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

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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, 2023

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.

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, 2023

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 assets 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 qualify 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, 2023

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 assets 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, 2023

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 80 hours for Police Officers, and 32 hours for all other employees. Sick leave accrues to a maximum of 1,080 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, 2023

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, 2023

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, 2023

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, 2023, the City’s bank balance of \$4,968,400 was fully insured by depository insurance and collateralized with securities held by the Federal Reserve Bank.

The deposits and investments held at March 31, 2023, and reported at fair value, are as follows:

Type	Carrying Value
Deposits:	
Demand deposits.....	\$ 4,898,207
Cash on hand.....	650
	4,898,857
Pooled Investments:	
Money market mutual funds.....	1,421,797
US Treasury.....	337,014
Federal Home Loan Banks.....	761,635
	2,520,446
Total Deposits and Investments.....	\$ 7,419,303
Reconciliation to the Financial Statements:	
Statement of Net Position:	
Cash and Investments:	
Governmental Activities.....	\$ 7,419,303
	\$ 7,419,303

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE B – CASH AND INVESTMENTS (continued)

2. Investments

As of March 31, 2023, the City held the following investments:

Investments	Fair Value	No Maturity	Maturities			Credit Risk
			Less Than One Year	1 – 5 Years	6 – 10 Years	
Primary Government						
Money market funds	\$ 1,421,797	\$ 1,421,797	\$ -	\$ -	\$ -	Not rated
US Treasury	337,014	-	337,014	-	-	AAA
Federal Home Loan Banks	761,635	-	-	761,635	-	AAA
Total Investments	<u>\$ 2,520,446</u>	<u>\$ 1,421,797</u>	<u>\$ 337,014</u>	<u>\$ 761,635</u>	<u>\$ -</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.

4. Fair Value Measurements:

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

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE B – CASH AND INVESTMENTS (continued)

4. Fair Value Measurements (continued):

The Primary Government has the following recurring fair value measurements as of March 31, 2023.

	Total	Level 1	Level 2	Level 3
Primary Government				
Investments by fair value level:				
Government securities:				
US Treasury.....	\$ 337,014	\$ 337,014	\$ --	\$ --
Federal Home Loan Banks.....	761,635	--	761,635	--
Total Investments by Fair Value Level	<u>1,098,649</u>	<u>\$ 337,014</u>	<u>\$ 761,635</u>	<u>\$ --</u>
Investments not subject to fair value level				
classifications:				
Money Market Mutual Funds.....	1,421,797			
Total Primary Government Investments:	<u>\$ 2,520,446</u>			

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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 and 24 cent property tax to be used for pensions. The City’s tax rate per \$100 of assessed valuation is levied as follows.

	Real Estate		<u>Personal</u>
	<u>Residential</u>	<u>Commercial</u>	<u>Property</u>
General government services	\$ 0.2050	\$ 0.3170	\$ 0.3400
Pension	0.2300	0.2300	0.2300
Debt service	0.6160	0.6160	0.6160
	\$ 1.0510	\$ 1.163	\$ 1.186
Total property tax levied:	\$ 1.0510	\$ 1.163	\$ 1.186

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, 2023

NOTE D – CAPITAL ASSETS

The following is a summary of changes in capital assets:

	For The Year Ended March 31, 2023			Balance March 31, 2023
	Balance March 31, 2022	Additions	Deletions	
Capital assets not being depreciated:				
Land	\$ 273,357	\$ -	\$ 106,747	\$ 166,610
Construction in progress	70,549	53,202	70,549	53,202
Total Capital Assets Not Being Depreciated	<u>343,906</u>	<u>53,202</u>	<u>177,296</u>	<u>219,812</u>
Capital assets being depreciated:				
Buildings and improvements	7,707,969	-	-	7,707,969
Vehicles	1,442,655	79,822	33,987	1,488,490
Equipment	776,156	60,804	21,000	815,960
Infrastructure	14,911,041	541,536	-	15,452,577
Total Capital Assets Being Depreciated	<u>24,837,821</u>	<u>682,162</u>	<u>54,987</u>	<u>25,464,996</u>
Less-Accumulated depreciation for:				
Buildings and improvements	779,515	194,709	-	974,224
Vehicles	1,348,707	41,627	33,987	1,356,347
Equipment	429,577	75,927	21,000	484,504
Infrastructure	3,228,279	386,216	-	3,614,495
Total Accumulated Depreciation	<u>5,786,078</u>	<u>698,479</u>	<u>54,987</u>	<u>6,429,570</u>
Total Capital Assets Being Depreciated, Net	<u>19,051,743</u>	<u>(16,317)</u>	<u>-</u>	<u>19,035,426</u>
Capital Assets, Net	<u>\$19,395,649</u>	<u>\$ 36,885</u>	<u>\$ 177,296</u>	<u>\$19,255,238</u>

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

	For The Year Ended March 31, 2023
Administration	\$ 114,681
Fire department	66,692
Parks and recreation department	60,807
Police department	16,324
Public works	439,975
Total	<u>\$ 698,479</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	30
Inactive employees entitled to but not yet receiving benefits	23
Active employees	27
Total	<u>80</u>

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

4. Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount of finance an unfunded accrued liability. The City contribution rates are 0.3% (General), 12.7% (Police) and 10.0% (Fire) of annual covered payroll.

5. Net Pension Liability

The City's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2022.

6. Actuarial Assumptions

The total pension liability in the February 28, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75% wage inflation; 2.25% price inflation
Salary increase	2.75% to 6.75% including wage inflation
Investment rate of return	7.00% net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retiree Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the PubS-2010 Employee Mortality Table for males and females of Police, Fire, and Public Safety groups.

Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2022 valuation were based on the results of an actuarial experience study for the period March 1, 2015 through February 28, 2020.

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, 2023

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 7.00%. 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, 2023

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	\$ 144,410
2. Interest on Total Pension Liability	371,907
3. Changes of Benefit Terms	3,093,926
4. Difference between expected and actual experience of the Total Pension Liability	(56,689)
5. Changes of Assumptions	-
6. Benefit payments, including refunds of employee contributions	<u>(303,689)</u>
7. Net change in total pension liability	3,249,865
8. Total Pension liability – June 30, 2021	<u>5,391,261</u>
9. Total Pension liability – June 30, 2022	<u><u>\$8,641,126</u></u>

B. Plan Fiduciary Net Position

1. Contributions – employer	\$ 2,317,359
2. Contributions – employee	-
3. Net investment income	4,911
4. Benefit payments, including refunds of employee contributions	(303,689)
5. Pension plan administrative expense	(6,631)
6. Other (Net Transfers)	<u>317,346</u>
7. Net Change in plan fiduciary net position	2,329,296
8. Plan fiduciary net position – June 30, 2021	<u>6,854,373</u>
9. Plan fiduciary net position – June 30, 2022	<u><u>\$9,183,669</u></u>

C. Net pension liability/(asset)

\$(542,543)

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

106.28%

E. Covered payroll

\$1,664,764

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

(32.59)%

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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 7.00% as well as what the employer’s net pension liability would be using a discount rate that is 1% point lower (6.00%) or 1% point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Net pension liability (asset)	\$ 525,032	\$ (542,543)	\$ (1,435,030)

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

For the year ended March 31, 2023, the City recognized pension expense of \$118,633. Reported deferred outflows and inflows of resources are related to the following sources.

	Outflows	Inflows	Net Outflows
Differences in experience	\$ 160,434	\$ (442,981)	\$ (282,547)
Assumption changes	18,933	(71,097)	(52,164)
Excess (deficit) investment returns	-	(82,026)	(82,026)
Contributions subsequent to the measurement date*	112,779	-	112,779
Total	\$ 292,146	\$ (596,104)	\$ (303,958)

*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.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE E – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Missouri Local Government Employees Retirement System (Continued)

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		
2023	\$	(125,654)
2024		(154,061)
2025		(209,332)
2026		80,043
2027		(7,745)
Thereafter		12
Total	\$	(416,737)

11. Payable to the Pension Plan

As of March 31, 2023, 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

In 2016 the Missouri Legislature enacted RSMo70.621 which allows the Missouri Local Government Employees’ Retirement System (LAGERS) to become the plan administrator and trustee of frozen pension plans initially created by local governments. As of February 1, 2022, the City transferred to LAGERS \$2,172,951 in assets so that LAGERS could assume the role of plan administrator and trustee of the Uniformed Employee Pension Trust Fund. Transferring the Pension Fund’s assets to LAGERS allows the City to take advantage of LAGERS’ size and expertise ensuring that the pension plan will be sustainable until the last beneficiary is paid. It provides the City with a lower annual fixed contribution payments for a fifteen-year period. As of May 31, 2022, the City transferred to LAGERS the remaining assets of \$707. For FY2023 the Uniformed Employees’ Pension Plan activity is included with LAGERS.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE H – LONG-TERM LIABILITIES

Long-term debt consists of the following:

	For the Year Ended March 31, 2023			Balance March 31, 2023	Amounts Due Within One Year
	Balance March 31, 2022	Additions	Reductions		
General Obligation Bonds					
Series 2016	\$ 4,640,000	\$ -	\$ 270,000	\$ 4,370,000	\$ 275,000
Series 2017 Refunding	2,829,974	-	285,000	2,544,974	295,000
Plus – Premium	545,800	-	44,793	501,007	-
Installment Purchase Agreement	-	562,581	-	562,581	49,057
Tax Increment Revenue Notes and Bonds					
Tax increment revenue notes	8,337,701	-	-	8,337,701	-
Tax increment revenue Bonds	11,220,000	-	455,000	10,765,000	550,000
Less – Discount	(121,398)	-	(8,938)	(112,460)	-
Compensated absences	132,149	109,502	98,650	143,001	85,801
Total	<u>\$27,584,226</u>	<u>\$ 672,083</u>	<u>\$1,144,505</u>	<u>\$27,111,804</u>	<u>\$1,254,858</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 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, 2023 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.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE H – LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

Debt service requirements for the bonds are as follows:

General Obligation Bonds				
For The Years Ended March 31,	Principal	Interest	Compound Interest¹	Total
2024	\$ 570,000	\$ 232,900	\$ -	\$ 802,900
2025	534,974	218,550	55,026	808,550
2026	590,000	206,650	-	796,650
2027	615,000	188,950	-	803,950
2028	635,000	170,500	-	805,500
2029-2033	2,760,000	517,150	-	3,277,150
2034-2036	1,210,000	98,200	-	1,308,200
Total	\$ 6,914,974	\$ 1,632,900	\$ 55,026	\$ 8,602,900

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.

Installment Purchase Agreement

In May, 2022, the City of Rock Hill, Missouri entered into an installment purchase agreement to acquire fire pumper truck. The installment purchase was for \$562,581 with an interest rate of 2.56%. The installment purchase matures June 1, 2032 as follows:

Installment Purchase Agreement			
For the Years Ended March 31,	Principal	Interest	Total
2024.....	\$ 49,057	\$ 15,551	\$ 64,608
2025.....	51,462	13,146	64,608
2026.....	52,779	11,829	64,608
2027.....	54,130	10,478	64,608
2028.....	55,516	9,092	64,608
2029 – 2033.....	299,637	23,400	323,037
Total.....	\$ 562,581	\$ 83,496	\$ 646,077

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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 Fund.....	\$ (162,443)	\$ -	\$ (162,443)
General Capital Projects Fund.....	-	137,443	137,443
Infrastructure Capital Projects Fund.....	-	225,000	225,000
Non-Major Funds			
Park Fund.....	(225,000)	25,000	(200,000)
Total.....	\$ (387,443)	\$ 387,443	\$ -

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them primarily for operating or capital purposes.

2. Advances To/From

	Advances To	Advances From
Major Funds		
General Fund.....	\$ 30,000	\$ -
Non-Major Funds		
Sewer Lateral Fund.....	-	30,000
Total.....	\$ 30,000	\$ 30,000

The above advance from the General Fund to the Sewer Lateral Fund was to provide adequate cash flow to the Sewer Lateral Fund. The Sewer Lateral Fund receives 95% of the revenues in the last quarter of the fiscal year.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE J – UNRESTRICTED NET POSITION DEFICIT

The government-wide statement of net position reflects an unrestricted net position deficit of (\$24,434,817). This total is comprised of \$881,466 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 (\$18,990,241) and interest payable on these notes of (\$6,564,627), which is for development not owned by the City, and net pension liability net of deferred outflows and inflows related to pension of \$238,585.

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 \$5,826,665 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, 2023, the City received \$1,082,509 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 – PRIOR PERIOD ADJUSTMENTS

Beginning fund balance was adjusted as follows:

Fund Financial Statements – Governmental Funds

Fund balance, April 1, as originally reported.....	\$ 1,132,136
Police Training Fund closed and assets transferred to General Fund.....	4,214
Fund Balance, April 1, restated.....	\$ 1,136,350

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

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 April 2023, GASB issued Statement No. 99, *Omnibus 2023*, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is the fiscal year ending March 31, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is the fiscal year ending March 31, 2024.

CITY OF ROCK HILL, MISSOURI
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023

NOTE N - RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2023, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ended March 31, 2025.

In June 2023, the GASB issued Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ended March 31, 2025.

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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 344,000	\$ 344,000	\$ 359,813	\$ 15,813
Gross Receipt Taxes:				
Cable television.....	49,400	47,410	47,409	(1)
Electric.....	360,000	373,505	373,505	-
Gas.....	165,000	223,885	223,882	(3)
Telephone.....	74,000	63,654	63,654	-
Water.....	80,000	105,675	105,671	(4)
Total Gross Receipts Taxes.....	<u>728,400</u>	<u>814,129</u>	<u>814,121</u>	<u>(8)</u>
Sales Tax:				
County sales tax.....	880,000	1,062,515	1,062,513	(2)
Fire sales tax.....	196,850	233,340	233,340	-
County public safety sales tax.....	259,375	298,096	298,096	-
Use tax.....	130,000	130,000	185,848	55,848
Total Sales Tax.....	<u>1,466,225</u>	<u>1,723,951</u>	<u>1,779,797</u>	<u>55,846</u>
Licenses, permits, fines and fees:				
Auto personal property.....	14,000	14,000	13,960	(40)
Building permits.....	19,000	19,000	19,267	267
Liquor.....	10,800	10,800	10,463	(337)
Merchants' licenses.....	181,400	195,755	197,597	1,842
Fines and court costs.....	300,000	300,000	149,445	(150,555)
Total Licenses and Permits.....	<u>525,200</u>	<u>539,555</u>	<u>390,732</u>	<u>(148,823)</u>
Intergovernmental:				
Cigarette tax.....	22,705	22,705	22,726	21
American rescue plan act.....	466,125	466,125	255,292	(210,833)
Total Intergovernmental.....	<u>488,830</u>	<u>488,830</u>	<u>278,018</u>	<u>(210,812)</u>
Investment Income.....	<u>1,000</u>	<u>1,000</u>	<u>67,417</u>	<u>66,417</u>
Miscellaneous:				
Grant income.....	3,700	3,700	4,466	766
Miscellaneous.....	14,800	20,460	24,103	3,643
Total Miscellaneous.....	<u>18,500</u>	<u>24,160</u>	<u>28,569</u>	<u>4,409</u>
Total Revenues.....	<u>3,572,155</u>	<u>3,935,625</u>	<u>3,718,467</u>	<u>(217,158)</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
EXPENDITURES				
Current:				
Administration:				
Personnel services.....	232,993	240,613	236,741	(3,872)
Contracted services.....	214,722	252,715	257,386	4,671
Operating expenditures.....	36,824	36,824	30,158	(6,666)
Capital outlay.....	-	-	1,151	1,151
Total Administration.....	<u>484,539</u>	<u>530,152</u>	<u>525,436</u>	<u>(4,716)</u>
Fire Department:				
Personnel services.....	911,835	968,717	960,022	(8,695)
Contracted services.....	49,000	49,000	42,595	(6,405)
Operating expenditures.....	14,500	14,500	10,813	(3,687)
Total Fire Department.....	<u>975,335</u>	<u>1,032,217</u>	<u>1,013,430</u>	<u>(18,787)</u>
Housing Department:				
Personnel services.....	21,184	21,184	22,393	1,209
Contracted services.....	1,480	1,480	-	(1,480)
Operating expenditures.....	2,265	2,265	909	(1,356)
Total Housing.....	<u>24,929</u>	<u>24,929</u>	<u>23,302</u>	<u>(1,627)</u>
Municipal Court:				
Personnel services.....	99,204	99,204	77,238	(21,966)
Contracted services.....	38,650	38,650	8,977	(29,673)
Operating expenditures.....	2,075	2,075	606	(1,469)
Capital outlay.....	1,200	1,200	1,151	(49)
Total Municipal Court.....	<u>141,129</u>	<u>141,129</u>	<u>87,972</u>	<u>(53,157)</u>
Police Department:				
Personnel services.....	883,952	965,022	944,291	(20,731)
Contracted services.....	124,264	139,679	149,873	10,194
Operating expenditures.....	8,030	8,030	7,653	(377)
Total Police Department.....	<u>1,016,246</u>	<u>1,112,731</u>	<u>1,101,817</u>	<u>(10,914)</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
Public Works				
Personnel services.....	295,932	295,932	319,255	23,323
Contracted services.....	40,701	40,701	27,627	(13,074)
Operating expenditures.....	85,580	85,580	65,962	(19,618)
Total Public Works.....	<u>422,213</u>	<u>422,213</u>	<u>412,844</u>	<u>(9,369)</u>
Total Expenditures.....	<u>3,064,391</u>	<u>3,263,371</u>	<u>3,164,801</u>	<u>(98,570)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>507,764</u>	<u>672,254</u>	<u>553,666</u>	<u>(118,588)</u>
OTHER FINANCING SOURCES				
(USES)				
Transfer in	7,500	7,500	-	(7,500)
Transfer out	(162,443)	(162,443)	(162,443)	-
Sale of capital assets.....	-	46,655	46,653	(2)
Proceeds from insurance	-	-	15,000	15,000
Total Other Financing Sources (Uses).....	<u>(154,943)</u>	<u>(108,288)</u>	<u>(100,790)</u>	<u>7,498</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 352,821</u>	<u>\$ 563,966</u>	452,876	<u>\$ (111,090)</u>
FUND BALANCE, APRIL 1.....			1,132,136	
PRIOR PERIOD ADJUSTMENTS.....			<u>4,214</u>	
FUND BALANCE, APRIL 1 RESTATED.....			1,136,350	
FUND BALANCE, MARCH 31.....			<u>\$ 1,589,226</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 590,000	\$ 590,000	\$ 539,133	\$ (50,867)
Sales Tax.....	325,000	325,000	256,214	(68,786)
TDD Sales Tax.....	175,000	175,000	136,077	(38,923)
CID Sales Tax.....	185,000	185,000	151,086	(33,914)
Investment Income.....	1,000	1,000	(8,575)	(9,575)
Total Revenues.....	<u>1,276,000</u>	<u>1,276,000</u>	<u>1,073,935</u>	<u>(202,065)</u>
EXPENDITURES				
Current:				
Administration.....	5,000	5,000	-	(5,000)
Debt service:				
Principal.....	720,000	720,000	455,000	(265,000)
Interest and fiscal agent fees.....	550,000	550,000	537,900	(12,100)
Total Expenditures.....	<u>1,275,000</u>	<u>1,275,000</u>	<u>992,900</u>	<u>(282,100)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 1,000</u>	<u>\$ 1,000</u>	81,035	<u>\$ 80,035</u>
FUND BALANCE, APRIL 1.....			<u>1,969,069</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 2,050,104</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, 2023

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, Pension 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 EIGHT FISCAL YEARS

	FISCAL YEAR ENDING JUNE 30,							
	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability (TPL)								
Service Cost.....	\$ 144,410	\$ 151,909	\$ 147,803	\$ 139,576	\$ 137,298	\$ 136,571	\$ 122,314	\$ 119,202
Interest on Total Pension Liability.....	371,907	401,360	371,950	343,022	313,755	294,475	263,215	252,091
Change in Benefit Terms.....	3,093,926	-	-	-	-	-	-	-
Assumption Changes.....	-	(464,223)	(2,439)	6,552	(9,880)	(5,519)	122,989	-
Experience Gains/Losses.....	(56,689)	(97,526)	47,281	78,735	120,599	(14,473)	62,288	(99,582)
Benefit Payments.....	(303,689)	(158,162)	(163,191)	(167,242)	(165,482)	(131,105)	(121,190)	(118,478)
Net Change in Total Pension Liability.....	3,249,865	(166,642)	401,404	400,643	396,290	279,949	449,616	153,233
Total Pension Liability-July 1.....	5,391,261	5,557,903	5,156,499	4,755,856	4,359,566	4,079,617	3,630,001	3,476,768
Total Pension Liability-June 30.....	\$ 8,641,126	\$ 5,391,261	\$ 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.....	2,317,359	163,428	151,560	149,278	138,322	128,149	129,004	130,640
Net Investment Income.....	4,911	1,506,947	72,233	337,319	572,500	479,687	(8,428)	77,425
Benefit Payments.....	(303,689)	(158,162)	(163,191)	(167,242)	(165,482)	(131,105)	(121,190)	(118,478)
Administrative Expenses.....	(6,631)	(5,036)	(7,396)	(6,520)	(4,695)	(4,383)	(4,459)	(4,660)
Other (Net Transfers).....	317,346	(244,539)	(24,866)	13,344	144,385	26,606	(33,703)	81,341
Net Change in Plan Fiduciary Net Position.....	2,329,296	1,262,638	28,340	326,179	685,030	498,954	(38,776)	166,268
Total Fiduciary Net Position-July 1.....	6,854,373	5,591,735	5,563,395	5,237,216	4,552,186	4,053,232	4,092,008	3,925,740
Total Fiduciary Net Position-June 30.....	\$ 9,183,669	\$ 6,854,373	\$ 5,591,735	\$ 5,563,395	\$ 5,237,216	\$ 4,552,186	\$ 4,053,232	\$ 4,092,008
Net Pension Liability (Asset)-June 30.....	\$ (542,543)	\$ (1,463,112)	\$ (33,832)	\$ (406,896)	\$ (481,360)	\$ (192,620)	\$ 26,385	\$ (462,007)
Plan fiduciary net position as a percentage of the total pension liability.....	106.28%	127.14%	100.61%	107.89%	110.12%	104.42%	99.35%	112.73%
Covered payroll.....	\$ 1,664,764	\$ 1,879,861	\$ 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.....	-32.59%	-77.83%	-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).....	8,641,126	5,391,261	5,557,903	5,156,499	4,755,856	4,359,566	4,079,617	3,630,001
Total Pension Liability (Discount Rate + 1%)...	7,748,639	4,754,373	4,897,430	4,542,731	4,183,764	3,827,077	3,579,651	3,206,161
Total Pension Liability (Discount Rate - 1%)....	9,708,701	6,157,963	6,356,511	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.

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

	FISCAL YEAR ENDING MARCH 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarial Determined Contributions.....	\$ 143,601	\$ 152,174	\$ 154,444	\$ 150,511	\$ 148,164	\$ 135,333	\$ 128,906	\$ 132,537	\$ 130,159	\$ 133,359
Actual Contributions Deposited.....	143,601	152,174	154,444	150,511	148,164	135,333	128,906	132,537	130,159	133,359
Annual Contribution Deficiency/(Excess)....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll.....	\$ 1,863,785	\$ 1,748,673	\$ 1,856,781	\$ 1,848,910	\$ 1,869,741	\$ 1,723,240	\$ 1,770,391	\$ 1,621,072	\$ 1,519,613	\$ 1,538,006
Contributions as a Percentage of Covered Payroll.....	7.70%	8.70%	8.32%	8.14%	7.92%	7.85%	7.28%	8.18%	8.57%	8.67%

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.
- Other information..... New assumptions adopted based on the 5-year experience study for the period March 1, 2015 through February 28, 2020.

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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:

Park Fund - Used to account for park and stormwater sales taxes and grants to be used for park operations, improvements, and stormwater.

Pension Fund – Used to account for property tax receipts for the purpose of funding the City's pension contributions for the Uniformed Employees Pension Plan and the LAGERS pension for general, police and fire employees.

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

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, 2023

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Park Fund	Pension Fund	Sewer Lateral Fund	NW TIF Fund	
ASSETS					
Cash and investments.....	\$ 280,119	\$ 407,044	\$ 31,469	\$ 370,166	\$ 1,088,798
Receivables (net):					
Property tax.....	-	40,319	-	1,766	42,085
Municipal taxes.....	71,219	-	-	473	71,692
Other receivables.....	-	-	1,552	-	1,552
Prepaid items.....	1,179	-	-	-	1,179
TOTAL ASSETS.....	\$ 352,517	\$ 447,363	\$ 33,021	\$ 372,405	\$ 1,205,306
Liabilities					
Accounts payable.....	\$ 3,664	\$ 2,057	\$ 200	\$ -	\$ 5,921
Wages payable.....	2,784	-	-	-	2,784
Advances from other funds.....	-	-	30,000	-	30,000
Total Liabilities.....	6,448	2,057	30,200	-	38,705
Deferred Inflows of Resources					
Unavailable revenue-property taxes	\$ -	\$ 11,918	\$ -	\$ 1,801	\$ 13,719
Total Deferred Outflows of Resources	-	11,918	-	1,801	13,719
Fund Balances					
Nonspendable:					
Prepaid items.....	1,179	-	-	-	1,179
Restricted for:					
Parks and stormwater.....	344,890	-	-	-	344,890
Pension.....	-	433,388	-	-	433,388
Sewer lateral.....	-	-	2,821	-	2,821
Tax increment financing.....	-	-	-	370,604	370,604
Total Fund Balances	346,069	433,388	2,821	370,604	1,152,882
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES.....	\$ 352,517	\$ 447,363	\$ 33,021	\$ 372,405	\$ 1,205,306

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, 2023

	Special Revenue Funds				Total Governmental Funds
	Park Fund	Pension Fund	Sewer Lateral Fund	NW TIF Fund	
REVENUES					
Property tax.....	\$ -	\$ 338,750	\$ -	\$ 73,358	\$ 412,108
Sales tax.....	468,528	-	-	11,668	480,196
Intergovernmental.....	11,702	-	-	-	11,702
Park and recreation programs.....	24,103	-	-	-	24,103
Miscellaneous.....	-	-	60,567	-	60,567
Total Revenues.....	<u>504,333</u>	<u>338,750</u>	<u>60,567</u>	<u>85,026</u>	<u>988,676</u>
EXPENDITURES					
Current:					
Administration.....	-	1,200	-	-	1,200
Park and recreation.....	222,901	-	-	-	222,901
Pension.....	-	226,466	-	-	226,466
Capital outlay.....	52,395	-	67,485	-	119,880
Total Expenditures.....	<u>275,296</u>	<u>227,666</u>	<u>67,485</u>	<u>-</u>	<u>570,447</u>
REVENUES OVER(UNDER) EXPENDITURES	<u>229,037</u>	<u>111,084</u>	<u>(6,918)</u>	<u>85,026</u>	<u>418,229</u>
OTHER FINANCING SOURCES (USES)					
Transfers in.....	25,000	-	-	-	25,000
Transfers out.....	(225,000)	-	-	-	(225,000)
Total Other Financing Sources (Uses).....	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
NET CHANGE IN FUND BALANCES.....	29,037	111,084	(6,918)	85,026	218,229
FUND BALANCES, APRIL 1.....	<u>317,032</u>	<u>322,304</u>	<u>9,739</u>	<u>285,578</u>	<u>934,653</u>
FUND BALANCES, MARCH 31.....	<u>\$ 346,069</u>	<u>\$ 433,388</u>	<u>\$ 2,821</u>	<u>\$ 370,604</u>	<u>\$ 1,152,882</u>

See accompanying independent auditor's report.

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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Sales tax - parks/stormwater.....	\$ 400,000	\$ 400,000	\$ 468,528	\$ 68,528
Intergovernmental:				
Grant income.....	329,000	329,000	11,702	(317,298)
Park and recreation programs.....	8,000	8,000	20,253	12,253
Fall Festival.....	1,700	1,700	3,850	2,150
Miscellaneous revenue.....	700	700	-	(700)
Total Revenues.....	<u>739,400</u>	<u>739,400</u>	<u>504,333</u>	<u>(235,067)</u>
EXPENDITURES				
Personnel services.....	197,470	197,470	194,987	(2,483)
Contracted services.....	4,582	4,582	1,304	(3,278)
Operating expenditures.....	27,850	27,850	26,610	(1,240)
Capital outlay.....	358,000	358,000	52,395	(305,605)
Total Expenditures.....	<u>587,902</u>	<u>587,902</u>	<u>275,296</u>	<u>(312,606)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>151,498</u>	<u>151,498</u>	<u>229,037</u>	<u>77,539</u>
OTHER FINANCING SOURCES (USES)				
Transfer in.....	25,000	25,000	25,000	-
Transfer out.....	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Total Other Financing Sources (Uses).....	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ (48,502)</u>	<u>\$ (48,502)</u>	<u>29,037</u>	<u>\$ 77,539</u>
FUND BALANCE, APRIL 1.....			<u>317,032</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 346,069</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-PENSION FUND
FOR THE YEAR ENDED MARCH 31, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 335,200	\$ 335,200	\$ 338,750	\$ 3,550
Total Revenues.....	<u>335,200</u>	<u>335,200</u>	<u>338,750</u>	<u>3,550</u>
EXPENDITURES				
Administration.....	-	-	1,200	1,200
Civilian pension.....	17,314	17,314	16,340	(974)
Police pension.....	79,267	79,267	79,734	467
Fire pension.....	64,940	64,940	62,962	(1,978)
Police & fire legacy pension.....	63,486	67,431	67,430	(1)
Total Expenditures.....	<u>225,007</u>	<u>228,952</u>	<u>227,666</u>	<u>(1,286)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 110,193</u>	<u>\$ 106,248</u>	111,084	<u>\$ 4,836</u>
FUND BALANCE, APRIL 1.....			<u>322,304</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 433,388</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Miscellaneous.....	\$ 63,000	\$ 63,000	\$ 60,567	\$ (2,433)
EXPENDITURES				
Current:				
Capital Outlay.....	60,000	60,000	67,485	7,485
NET CHANGE IN FUND BALANCE.....	<u>3,000</u>	<u>10,500</u>	(6,918)	<u>(9,918)</u>
FUND BALANCE, APRIL 1.....			9,739	
FUND BALANCE, MARCH 31.....			<u>2,821</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-NW TIF FUND
FOR THE YEAR ENDED MARCH 31, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 40,375	\$ 40,375	\$ 73,358	\$ 32,983
Sales Tax.....	8,000	8,000	11,668	3,668
Total Revenues.....	<u>48,375</u>	<u>48,375</u>	<u>85,026</u>	<u>36,651</u>
EXPENDITURES				
Current:				
Administration.....	21,200	21,200	-	(21,200)
Debt service:				
Interest.....	1,500	1,500	-	(1,500)
Total Expenditures.....	<u>22,700</u>	<u>22,700</u>	<u>-</u>	<u>(22,700)</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ 25,675</u>	<u>\$ 25,675</u>	85,026	<u>\$ 59,351</u>
FUND BALANCE, APRIL 1.....			<u>285,578</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 370,604</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Property tax.....	\$ 850,000	\$ 850,000	\$ 906,740	\$ 56,740
Miscellaneous.....	500	500	-	(500)
Total Revenues.....	850,500	850,500	906,740	56,240
EXPENDITURES				
Debt service:				
Principal.....	555,000	555,000	555,000	-
Interest and fiscal charges.....	247,850	247,850	247,168	(682)
Total Expenditures.....	802,850	802,850	802,168	(682)
NET CHANGE IN FUND BALANCE.....	\$ 47,650	\$ 47,650	104,572	\$ 56,922
FUND BALANCE, APRIL 1.....			643,910	
FUND BALANCE, MARCH 31.....			\$ 748,482	

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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Sales tax - capital improvement.....	\$ 337,000	\$ 337,000	\$ 397,897	\$ 60,897
Intergovernmental:				
Grant income.....	12,500	12,500	12,093	(407)
Investment income.....	-	-	9,591	9,591
Miscellaneous revenue.....	500	500	-	(500)
Total Revenues.....	<u>350,000</u>	<u>350,000</u>	<u>419,581</u>	<u>69,581</u>
EXPENDITURES				
Administration.....	235,721	235,721	246,412	10,691
Capital outlay.....	273,786	294,351	191,249	(103,102)
Total Expenditures.....	<u>509,507</u>	<u>530,072</u>	<u>437,661</u>	<u>(92,411)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>(159,507)</u>	<u>(180,072)</u>	<u>(18,080)</u>	<u>161,992</u>
OTHER FINANCING SOURCES (USES)				
Transfer in.....	137,443	137,443	137,443	-
Sale of capital assets.....	5,000	25,565	-	(25,565)
Insurance recoveries.....	-	-	20,568	20,568
Installment purchase agrrement.....	-	-	562,581	562,581
Total Other Financing Sources (Uses).....	<u>142,443</u>	<u>163,008</u>	<u>720,592</u>	<u>557,584</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ (17,064)</u>	<u>\$ (17,064)</u>	702,512	<u>\$ 719,576</u>
FUND BALANCE, APRIL 1.....			<u>390,912</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 1,093,424</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, 2023

	Original Budget	Final Budget	Actual	Over (Under) Budget
REVENUES				
Intergovernmental:				
Gasoline tax.....	\$ 125,000	\$ 125,000	\$ 159,183	\$ 34,183
Motor vehicle tax.....	63,000	63,000	73,608	10,608
Road and bridge.....	110,000	110,000	130,332	20,332
Grant income.....	-	-	42,249	42,249
Miscellaneous revenue.....	-	-	1,169	1,169
Total Revenues.....	<u>298,000</u>	<u>298,000</u>	<u>406,541</u>	<u>108,541</u>
EXPENDITURES				
Capital outlay.....	560,500	560,500	498,273	(62,227)
Total Expenditures.....	<u>560,500</u>	<u>560,500</u>	<u>498,273</u>	<u>(62,227)</u>
REVENUES OVER(UNDER)				
EXPENDITURES.....	<u>(262,500)</u>	<u>(262,500)</u>	<u>(91,732)</u>	<u>170,768</u>
OTHER FINANCING SOURCES (USES)				
Transfer in.....	225,000	225,000	225,000	-
Total Other Financing Sources (Uses).....	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE.....	<u>\$ (37,500)</u>	<u>\$ (37,500)</u>	133,268	<u>\$ 170,768</u>
FUND BALANCE, APRIL 1.....			<u>625,971</u>	
FUND BALANCE, MARCH 31.....			<u>\$ 759,239</u>	

See accompanying independent auditor's report.

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Statistical Section

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

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	70
Revenue Capacity These schedules contain to help the reader assess the City’s most significant local revenue sources.	76
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.	81
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.	86
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.	88

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
(DOLLARS IN THOUSANDS)
LAST TEN FISCAL YEARS

	For The Years Ended March 31,									
	2023	2022	2021	2020	2019	2018 Restated	2017 Restated	2016	2015 Restated	2014 Restated
Governmental Activities										
Net investment in capital assets.....	\$ 11,919	\$ 11,459	\$ 10,725	\$ 10,508	\$ 9,592	\$ 9,863	\$ 7,740	\$ 6,040	\$ 5,146	\$ 5,143
Restricted.....	6,065	4,584	4,377	3,965	3,846	3,138	2,912	7,281	2,677	2,437
Unrestricted (deficit).....	(24,673)	(24,410)	(24,602)	(23,905)	(23,790)	(24,094)	(22,658)	(26,495)	(20,478)	(20,864)
Total Governmental Activities Net Position.....	<u>\$ (6,689)</u>	<u>\$ (8,367)</u>	<u>\$ (9,500)</u>	<u>\$ (9,432)</u>	<u>\$ (10,352)</u>	<u>\$ (11,093)</u>	<u>\$ (12,006)</u>	<u>\$ (13,174)</u>	<u>\$ (12,655)</u>	<u>\$ (13,284)</u>

Source: Basic Financial Statements

GASB 67 and 68 was implemented in 2015

GASB 84 was implemented in 2021

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

For The Years Ended March 31,

	2023	2022	2021	2020	2019	2018 Restated	2017	2016	2015 Restated	2014 Restated
EXPENSES										
Administration.....	\$ 892	\$ 972	\$ 835	\$ 929	\$ 1,094	\$ 1,052	\$ 930	\$ 790	\$ 749	\$ 1,764
Fire department.....	803	898	1,269	1,165	996	980	1,065	978	989	1,075
Housing department.....	23	24	23	22	20	17	19	22	45	50
Municipal court.....	90	86	115	158	147	148	153	160	157	158
Parks and recreation.....	312	279	246	215	255	244	236	242	232	146
Police department.....	932	837	1,330	1,161	903	946	1,061	959	1,003	963
Public works.....	928	888	877	863	874	863	726	745	674	786
Interest on long-term debt	1,866	1,813	1,772	1,742	1,729	1,801	1,807	2,952	1,495	2,001
Total Expenses.....	5,846	5,797	6,467	6,255	6,018	6,051	5,997	6,848	5,344	6,943
Charges for services: ^a										
Administration.....	241	221	170	235	235	232	249	218	218	231
Municipal court.....	151	288	169	417	195	374	422	440	548	526
Parks and recreation.....	24	19	11	7	4	7	6	8	11	10
Police department.....	4	7	5	9	7	9	12	17	16	15
Operating grants and contributions.....	684	520	360	386	345	356	371	364	333	334
Capital grants and contributions.....	65	185	331	341	106	312	306	520	57	117
Total Program Revenues.....	1,169	1,240	1,046	1,395	892	1,290	1,366	1,567	1,183	1,233
NET REVENUES (EXPENSES).....	(4,677)	(4,557)	(5,421)	(4,860)	(5,126)	(4,761)	(4,631)	(5,281)	(4,161)	(5,710)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Taxes: ^b										
Property	1,614	1,489	1,186	1,163	1,170	1,049	1,232	658	644	657
Sales.....	2,646	2,213	1,936	2,138	2,068	2,023	2,014	1,954	1,833	1,777
TIF revenues.....	1,168	1,093	1,166	1,630	1,692	1,671	1,666	1,264	654	772
Utility gross receipts.....	767	690	634	688	775	761	741	721	777	811
Other taxes.....	70	72	75	80	84	87	92	97	97	89
Investment income.....	68	1	2	43	47	34	8	11	15	21
Other revenues.....	22	99	354	26	29	50	44	44	51	24
Gain on sale of capital assets.....	-	33	-	12	2	-	1	14	-	-
Decrease in net pension liability.....	-	-	-	-	-	-	-	-	216	-
Total General Revenues.....	6,355	5,690	5,353	5,780	5,867	5,675	5,798	4,763	4,287	4,151
PRIOR PERIOD ADJUSTMENT.....	-	-	-	-	-	-	-	-	501	-
CHANGES IN NET POSITION.....	\$ 1,678	\$ 1,133	\$ (68)	\$ 920	\$ 741	\$ 914	\$ 1,167	\$ (518)	\$ 627	\$ (1,559)

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
(DOLLARS IN THOUSANDS)
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	For the Years Ended March 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Administration.....	\$ 498	\$ 334	\$ 170	\$ 237	\$ 239	\$ 232	\$ 260	\$ 225	\$ 218	\$ 231
Fire department.....	-	3	-	-	33	-	-	15	-	1
Municipal court.....	151	288	169	418	196	374	422	440	548	526
Parks and recreation.....	36	26	12	324	4	319	6	14	11	17
Police department.....	18	26	10	23	25	10	12	17	42	20
Public works.....	466	563	685	395	395	355	666	856	364	438
Total Governmental Activities.	<u>\$ 1,169</u>	<u>\$ 1,240</u>	<u>\$ 1,046</u>	<u>\$ 1,397</u>	<u>\$ 892</u>	<u>\$ 1,290</u>	<u>\$ 1,366</u>	<u>\$ 1,567</u>	<u>\$ 1,183</u>	<u>\$ 1,233</u>

Source: Basic Financial Statements

CITY OF ROCK HILL, MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
(DOLLARS IN THOUSANDS)
LAST TEN FISCAL YEARS

For The Years Ended March 31,

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable.....	\$ 75	\$ 64	\$ 26	\$ 34	\$ 31	\$ 34	\$ 59	\$ 78	\$ 112	\$ 135
Restricted.....	-	-	-	-	-	-	-	-	-	497
Assigned - Subsequent year's budget....	-	-	-	-	-	-	-	-	-	29
Unassigned.....	1,514	1,068	840	953	1,108	1,697	1,778	1,824	1,776	1,627
Total General Fund.....	\$ 1,589	\$ 1,132	\$ 866	\$ 987	\$ 1,139	\$ 1,731	\$ 1,837	\$ 1,902	\$ 1,888	\$ 2,288
All other governmental funds										
Nonspendable.....	\$ 1	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -
Restricted for:										
Capital projects.....	1,853	1,017	1,114	607	683	2,963	6,719	1,162	1,626	1,852
Debt service.....	748	644	517	554	411	415	348	274	255	303
Law enforcement.....	-	-	-	-	-	-	-	3	-	4
Parks and stormwater.....	345	315	271	241	204	193	373	439	392	-
Pensions.....	433	323	-	-	-	-	-	-	-	-
Police training.....	-	5	7	4	3	11	9	6	16	15
Sewer Lateral.....	3	10	28	28	26	30	30	11	33	12
Tax Increment Financing.....	2,421	2,255	2,338	2,556	2,544	2,513	2,775	2,677	972	1,027
Total All Other Governmental Funds.....	\$ 5,803	\$ 4,569	\$ 4,275	\$ 3,990	\$ 3,871	\$ 6,125	\$ 10,254	\$ 4,572	\$ 3,294	\$ 3,213

Source: Basic Financial Statements

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

	For The Years Ended March 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES:										
Property taxes.....	\$ 2,218	\$ 2,170	\$ 1,685	\$ 1,942	\$ 1,685	\$ 1,813	\$ 1,596	\$ 1,227	\$ 860	\$ 1,057
Gross receipts taxes.....	814	739	686	746	836	825	811	796	852	877
Sales tax.....	3,201	2,751	2,476	3,124	3,136	3,075	3,150	2,698	2,217	2,158
Licenses, permits, fines and fees.....	391	507	353	642	431	604	673	674	761	772
Intergovernmental.....	707	654	968	367	376	317	639	824	352	296
Park and recreation programs.....	24	19	11	7	4	7	6	8	-	-
Investment income.....	69	1	2	43	47	34	8	10	26	21
Miscellaneous.....	90	179	105	417	100	434	117	127	127	227
Total Revenues.....	<u>7,514</u>	<u>7,020</u>	<u>6,286</u>	<u>7,288</u>	<u>6,615</u>	<u>7,109</u>	<u>7,000</u>	<u>6,364</u>	<u>5,195</u>	<u>5,408</u>
EXPENDITURES:										
Administration.....	772	702	713	783	844	995	867	753	735	677
Fire department.....	1,013	1,043	1,036	1,072	1,029	986	972	931	891	867
Housing department.....	23	24	23	22	20	16	20	23	45	49
Municipal court.....	87	85	114	157	147	146	150	158	155	166
Parks and recreation.....	223	208	172	216	218	221	211	207	206	117
Police department.....	1,102	1,099	1,064	1,114	1,053	1,013	983	957	921	939
Public works.....	413	360	361	382	396	430	400	378	388	461
Pension.....	226	-	-	-	-	-	-	-	-	-
Capital outlay.....	812	1,041	478	1,149	3,285	5,150	2,184	1,719	1,060	1,411
Debt service:										
Principal.....	1,010	1,150	1,300	1,525	1,505	1,370	1,245	237	238	248
Interest.....	785	823	861	914	966	1,033	933	4,707	875	1,007
General obligation bonds issuance cost.....	-	-	-	-	-	79	111	-	-	-
Total Expenditures.....	<u>6,466</u>	<u>6,535</u>	<u>6,122</u>	<u>7,334</u>	<u>9,463</u>	<u>11,439</u>	<u>8,076</u>	<u>10,070</u>	<u>5,514</u>	<u>5,942</u>
REVENUES OVER (UNDER)										
EXPENDITURES.....	<u>1,048</u>	<u>485</u>	<u>164</u>	<u>(46)</u>	<u>(2,848)</u>	<u>(4,330)</u>	<u>(1,076)</u>	<u>(3,706)</u>	<u>(319)</u>	<u>(534)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in.....	387	175	189	175	433	580	275	175	1,130	33
Transfers out.....	(387)	(175)	(189)	(175)	(433)	(580)	(275)	(175)	(1,130)	(33)
Sale of capital assets.....	47	75	-	12	2	17	1	14	-	-
Insurance proceeds.....	35	-	-	-	-	-	-	-	-	-
Bond issuance costs.....	-	-	-	-	-	-	-	(714)	-	-
Payment to refunded bond escrow agent.....	-	-	-	-	-	(3,203)	-	(18,812)	-	-
Proceeds of long-term debt.....	-	-	-	-	-	3,080	6,100	24,509	-	-
Proceeds from installment purchase.....	563	-	-	-	-	-	-	-	-	-
Premium of long-term debt.....	-	-	-	-	-	202	592	-	-	-
Total Other Financing Sources (Uses).....	<u>645</u>	<u>75</u>	<u>-</u>	<u>12</u>	<u>2</u>	<u>96</u>	<u>6,693</u>	<u>4,997</u>	<u>-</u>	<u>-</u>
NET CHANGES IN FUND BALANCES.....	<u>\$ 1,693</u>	<u>\$ 560</u>	<u>\$ 164</u>	<u>\$ (34)</u>	<u>\$ (2,846)</u>	<u>\$ (4,234)</u>	<u>\$ 5,617</u>	<u>\$ 1,291</u>	<u>\$ (319)</u>	<u>\$ (534)</u>
Debt service as a percentage of noncapital expenditures.....	30.9%	35.1%	37.6%	38.6%	37.9%	37.6%	36.5%	58.1%	24.2%	26.3%

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
2023	\$ 2,217,794	\$ 3,201,267	\$ 814,121	\$ 707,185	\$ 6,940,367
2022	2,169,737	2,751,370	739,169	654,478	6,314,754
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

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
2022	\$ 96,173,440	\$ 33,929,949	\$ 19,688,184	\$ 149,791,573	1.091 *	\$ 671,277,550
2021	95,551,920	34,563,928	15,735,990	145,851,838	1.052 *	658,129,808
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

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 2013 through 2022 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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
City of Rock Hill Direct Rates:										
General Fund.....	0.2050	0.2080	0.2250	0.2260	0.2700	0.2825	0.2938	0.2926	0.2890	0.2880
Pension.....	0.2300	0.2300	-	-	-	-	-	-	-	-
Debt Service.....	0.6160	0.5900	0.6380	0.6450	0.7950	0.8050	0.7950	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.....	0.0830	0.0830	0.0880	0.0880	0.0980	0.0980	0.1030	0.1030	0.1050	0.1050
St. Louis County.....	0.3350	0.3350	0.3550	0.3550	0.3910	0.3910	0.4120	0.4120	0.4180	0.4180
St. Louis Community College.....	0.2787	0.2787	0.1987	0.1986	0.2129	0.2112	0.2176	0.2176	0.2200	0.2200
Special School District.....	1.0495	1.0158	1.1077	1.1077	1.1980	1.1912	1.2348	1.2348	1.2609	1.2400
Metro Zoo.....	0.2528	0.2455	0.2532	0.2549	0.2724	0.2694	0.2777	0.2777	0.2797	0.2797
Sheltered Workshop.....	-	-	-	-	0.0840	0.0840	0.0880	0.0880	0.0900	0.0890
Rock Hill Library.....	0.2040	0.2090	0.2260	0.2270	0.2710	0.2700	0.2820	0.2820	0.2910	0.2900
Metro Sewer District*.....	0.1053	0.1041	0.1078	0.1077	0.1170	0.1159	0.0876	0.0876	0.0879	0.0874
Dev. Disability-Productive Live...	0.0700	0.0710	0.0750	0.0750	-	-	-	-	-	-
Deer Creek Sewer*.....	0.0660	0.0660	0.0690	-	-	-	0.0830	0.0830	0.0860	0.0860
Webster Groves School District..	4.2188	4.2283	4.6753	4.6848	5.3654	5.3253	5.6722	5.6722	5.8584	5.8576

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	2022			2013		
	Taxable	Rank	Percentage of	Taxable	Rank	Percentage of
Market at McKnight (Novus).....	\$ 6,637,910	1	4.43%	\$ 4,801,540	1	4.67%
Stanford Court Apartments, LLC.....	2,874,030	2	1.92%	2,092,980	2	2.04%
Life Storage LP.....	1,924,160	3	1.28%			
Novus Crestwood LLC.....	1,600,010	4	1.07%			
CS3 BP Associates LLC.....	1,240,350	5	0.83%			
Missouri CVS Pharmacy LLC.....	1,193,920	6	0.80%			
Dan L Sheils LLC.....	1,126,980	7	0.75%			
Millman Lumber Company.....	1,063,720	8	0.71%			
Refrigeration Supplies Inc.....	982,160	9	0.66%	1,015,200	6	0.99%
Waltrust Properties Inc.....	929,150	10	0.62%	763,550	10	0.74%
Missouri American Water Co.....	-		-	1,644,520	3	1.60%
McKnight Development LLC.....	-		-	1,368,440	4	1.33%
Colonial Square Associates.....	-		-	1,017,820	5	0.99%
GBC Enterprises, LLC.....	-		-	830,630	7	0.81%
Rock Hill Partnership.....	-		-	797,540	8	0.78%
900 Rock Hill Partners LLC.....	-		-	774,720	9	0.75%
	<u>\$ 19,572,390</u>		<u>13.07%</u>	<u>\$ 15,106,940</u>		<u>14.70%</u>

Source: St. Louis County Assessor

Note: Life Storage LP formally reported as EZ Storage Rock Hill LLC

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

Fiscal	Tax	Net Tax	Current	Percent	Delinquent	Total Tax	Total	Outstanding	Outstanding
2023	2022	\$ 1,562,363	\$ 1,432,339	91.68%	\$ -	\$ 1,432,339	91.68%	\$ 130,024	8.32%
2022	2021	1,464,137	1,303,094	89.00%	144,512	1,447,606	98.87%	16,531	1.13%
2021	2020	1,175,861	978,889	83.25%	162,079	1,140,968	97.03%	9,026	0.77%
2020	2019	1,165,183	1,001,905	85.99%	161,290	1,163,195	99.83%	-	0.00%
2019	2018	1,207,354	976,986	80.92%	176,146	1,153,132	95.51%	2,201	0.18%
2018	2017	1,211,907	926,287	76.43%	259,140	1,185,427	97.82%	-	0.00%
2017	2016	1,117,107	910,263	81.48%	168,509	1,078,772	96.57%	12	0.00%
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%

Source: St. Louis County Collector's office.

^a As of March 31, 2023

**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 Public Safety Sales Tax	Use Tax	Transportation Development District	Community Improvement District	Total
2023	\$ 1,254,666	\$ 435,943	\$ 506,160	\$ 253,081	\$ 298,112	\$ 166,142	\$ 136,077	\$ 151,086	\$ 3,201,267
2022	1,097,012	387,053	448,333	224,197	275,326	52,668	127,646	139,135	2,751,370
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

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	Tax Increment Revenue Bonds	Tax Increment Revenue Notes	Installment Purchase Agreements			
2023	\$ 7,415,981	\$ 10,652,540	\$ 8,337,701	\$ 562,581	\$ 26,968,803	11.3%	\$ 5,678
2022	8,015,774	11,098,602	8,337,701	-	27,452,077	11.6%	5,779
2021	8,604,347	11,699,664	8,337,701	-	28,641,712	11.7%	6,030
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

Source: Basic Financial Statements

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

The statistical schedule above excludes compensated absences from the total primary government.

^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
2023	\$ 6,667,499	1.0%	\$ 1,404
2022	7,371,864	1.1%	1,552
2021	8,087,847	1.3%	1,703
2020	8,624,043	1.4%	1,874
2019	9,326,165	1.8%	2,017
2018	9,882,433	1.9%	2,135
2017	10,286,969	2.2%	2,218
2016	4,141,488	0.9%	892
2015	4,388,869	1.0%	947
2014	4,563,277	1.0%	985

Source: Basic Financial Statements

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

^a General obligation bonds are presented net of restricted net position for debt services for fiscal years 2014 - 2023.

^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
(DOLLARS IN THOUSANDS)
LAST TEN FISCAL YEARS**

	March 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt limit.....	\$ 14,979	\$ 14,585	\$ 13,989	\$ 13,760	\$ 11,905	\$ 11,852	\$ 10,850	\$ 10,590	\$ 10,155	\$ 10,284
Net debt applicable to debt limit.....	6,414	6,924	7,416	8,535	9,045	9,530	10,000	4,335	4,555	4,770
Legal Debt Margin.....	<u>\$ 8,565</u>	<u>\$ 7,661</u>	<u>\$ 6,573</u>	<u>\$ 5,225</u>	<u>\$ 2,860</u>	<u>\$ 2,322</u>	<u>\$ 850</u>	<u>\$ 6,255</u>	<u>\$ 5,600</u>	<u>\$ 5,514</u>
Legal debt margin as a percentage of the debt limit.....	42.82%	47.47%	53.01%	62.03%	75.98%	80.41%	92.17%	40.93%	44.85%	46.38%

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, 2023

Name Of Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
St. Louis County.....	\$ 59,790,000	0.5%	\$ 298,950
Webster Groves School District.....	73,804,000	14.1%	10,406,364
Subtotal, Overlapping Debt.....	<u>133,594,000</u>		<u>10,705,314</u>
General obligation bonds.....	\$ 7,415,981	100.0%	\$ 7,415,981
Tax increment financing bonds and notes.....	18,990,241	100.0%	18,990,241
Subtotal, Direct Debt.....	<u>26,406,222</u>		<u>26,406,222</u>
Total Direct And Overlapping Debt.....	<u>\$ 160,000,222</u>		<u>\$ 37,111,536</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
PLEGDED 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 Operating Expenditures	Net Available Revenues	Debt Service		Coverage ^a
						Principal	Interest	
2023	\$ 539,133	\$ 543,377	\$ (8,575)	\$ -	\$ 1,073,935	\$ 455,000	\$ 532,900	108.71%
2022	487,457	530,669	379	-	1,018,505	610,000	559,710	87.07%
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%

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
2023	4,750	\$ 78,529	\$ 238,108,000	\$ 50,128	4,304	2.6
2022	4,750	86,616	237,192,172	50,765	4,316	3.2
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

^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**

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
New Growth Horizon.....	146	1		
Hacienda Mexican Restaurant.....	100	2	98	2
Millman Lumber Co.....	84	3	63	5
W. Schiller & Co., Inc.....	75	4	68	4
Webster Groves School District.....	74	5	62	6
RSI Kitchen and Bath.....	55	6	42	7
Integrated Payroll Services.....	50	7		
CVS Pharmacy.....	42	8		
Walgreens.....	35	9		
City of Rock Hill.....	32	10		
Woodward Cleaning & Restoration, Inc.....			186	1
ARCO/Murray Corporate Services, Inc.....			74	3
Bandana's BBQ.....			41	8
Stein Mart.....			40	9
Goddard School.....			37	10
	<u>693</u>		<u>711</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 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,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government:										
Administration.....	2.5	2.5	2.5	3	3	2	3	2	2	2
Fire department.....	10	10	10	10	10	10	10	10	10	9.5
Housing department.....	0.8	0.8	0.8	1	1	1	1	1	1	1
Municipal court.....	1	1	1	2	2	2	2	2	2	2
Parks and recreation.....	1	1	1.5	1	1	1	1	1	1	1
Police department.....	12	12	12	12	12	12	11	13	11.8	11.5
Public works.....	6	5	5	6	6	6	6	6	6	6

Source: City payroll records

CITY OF ROCK HILL, MISSOURI
OPERATING INDICATORS BY FUNCTIONS/PROGRAMS
(DOLLARS IN THOUSANDS)
LAST TEN FISCAL YEARS

FUNCTIONS/PROGRAMS	As Of March 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police department:										
Average number of calls per month.....	384	375	635	631	470	461	430	457	443	450
Average number of arrests per month.....	8	10	9	14	15	21	20	22	27	25
Number of crime incidences reported.....	1340	1316	1258	1344	1194	1075	1098	1055	1043	517
Fire department:										
Average number of fire calls per month.....	65	89	81	100	94	86	87	75	87	80
Housing/building inspections:										
Number of permits:										
Building (decks, porches, roofs, garages)	21	23	31	22	24	27	21	25	10	13
Driveways.....	10	11	14	5	10	9	12	4	3	7
Fences.....	40	34	35	40	44	29	21	34	29	26
Residential.....	233	244	257	451	78	388	242	169	203	197
Commercial.....	96	19	83	104	2	109	80	14	86	88
Cost of construction ^a :										
Building (decks, porches, roofs, garages)	\$ 473	\$ 294	\$ 200	\$ 161	\$ 78	\$ 134	\$ 123	\$ 121	\$ 70	\$ 54
Driveways.....	\$ 836	\$ 82	\$ 74	\$ 30	\$ 42	\$ 6	\$ 75	\$ 27	\$ 46	\$ 41
Fences.....	\$ 255	\$ 177	\$ 125	\$ 156	\$ 256	\$ 103	\$ 55	\$ 135	\$ 91	\$ 51
Residential.....	\$ 3,004	\$ 3,633	\$ 3,604	\$ 2,880	\$ 6,355	\$ 3,907	\$ 3,401	\$ 3,717	\$ 2,030	\$ 1,065
Commercial.....	\$ 10,532	\$ 668	\$ 8,282	\$ 2,267	\$ 437	\$ 7,220	\$ 1,821	\$ 4,440	\$ 5,280	\$ 4,987
Finance and administration:										
Business licenses issued (August 1).....	67	70	79	55	70	64	63	71	71	67
Merchant licenses issued (August 1).....	70	75	76	71	90	94	91	93	94	94
Liquor licenses issued (July 1).....	16	17	18	19	19	21	20	16	17	19

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 YEARS

FUNCTIONS/PROGRAMS	As Of March 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Parks and recreation:										
Number of parks.....	6	6	6	6	6	6	7	7	7	7
Acres of parks.....	12	12	12	12	12	10.5	12	12	12	12
Number of tennis courts.....	4	4	4	4	4	4	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.....	8.00	5	5	8	8	6	6	6	6	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.....	24.0	24.0	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	328	328	327	327	327	327	327
Other City owned property:										
Public works facility.....	1	1	1	1	1	1	1	1	1	1
City hall facilities (buildings)....	1	1	1	1	1	-	-	-	-	-
Other property (parcels).....	-	2	3	4	4	3	3	3	3	3

Source: City records - various departments listed