



FINANCIAL REPORT
(Audited)

Year Ended December 31, 2020

CITY OF SUNSET HILLS, MISSOURI
FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen
CITY OF SUNSET HILLS, MISSOURI

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF SUNSET HILLS, MISSOURI** (the City), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sikich LLP

Chesterfield, Missouri
June 21, 2021

CITY OF SUNSET HILLS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

This Management's Discussion and Analysis (MD&A) is intended to be an overview of the City of Sunset Hills, Missouri's (the City) financial activities for the fiscal year ended December 31, 2020. It should be read in conjunction with the City's financial statements (attached).

FINANCIAL AND BUDGETARY HIGHLIGHTS

Net position increased by \$891,072 during the fiscal year. Fund balances increased by \$1,083,507. The fund balances are adequate for the City to operate efficiently and provide services to its citizens.

At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$11,633,221. Approximately 63% of this is available for spending at the City's discretion (unassigned fund balance).

The General Fund had changes in fund balance of \$1,203,927 and (\$68,524) for the years ended December 31, 2020 and 2019, respectively. The City's General Fund budget had reflected an anticipated surplus of \$82,461 in the original budget and a surplus of \$1,278,282 in the final budget. Actual versus original budget surplus of \$1,121,466 is due primarily to unexpected revenue from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of \$584,278 and a donation of \$500,000. Also, revenues and expenditures decreased significantly in both budget and actual due to the impact of COVID-19, with a net impact to fund balance of near zero. Specifically, sales tax generating activities, pool closure, limited community center activities and ticketing activity declined. In response to this impact, the City reduced part-time employees and deferred some repairs and maintenance and some capital purchases to future years.

The Capital Projects Fund had changes in fund balance of \$330,306 and (\$128,199) for the years ended December 31, 2020 and 2019, respectively. The City's Capital Fund budget had reflected an anticipated surplus of \$82,817 in the original budget and a surplus of \$217,414 in the final budget. Actual versus original budget surplus of \$247,489 is due to reductions in capital outlays exceeding reduction in tax revenue.

The County Road Fund had changes in fund balance of (\$125,469) and (\$30,429) for the years ended December 31, 2020 and 2019, respectively. The City's County Road Fund budget had reflected an anticipated deficit of (\$59,000) in the original budget and a deficit of (\$122,015) in the final budget. Actual versus original budget deficit of (\$66,469) is due to higher Public Works expenditures.

The Storm Water/Parks Fund had changes in fund balance of (\$325,257) and (\$296,625) for the years ended December 31, 2020 and 2019, respectively. The City's Storm Water/Parks Fund budget had reflected an anticipated deficit of (\$279,962) in the original budget and a deficit of (\$474,807) in the final budget. Actual versus original budget deficit of (\$45,295) is due to reduced tax revenue, partially offset by higher investment income and lower grant related net activity.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplemental information in addition to the basic financial statements.

**CITY OF SUNSET HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Government-wide financial statements. The government-wide financial statements are designed to provide readers with 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 presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public works, police, pool, recreation center, and court, as well as interest on long-term debt. The City does not have 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 are governmental funds. It should be noted that the City does not have any proprietary funds or fiduciary 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 financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains several 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 General Fund, Capital Projects Fund, County Road Fund, and Storm Water/Parks Fund, all of which are considered to be major funds.

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.

**CITY OF SUNSET HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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.

Supplemental information. In addition to the basic financial statements and accompanying notes, certain required and other supplemental information can be found after the basic financial statements.

CONDENSED FINANCIAL STATEMENTS

The City presents its financial statements under the reporting model pursuant to Governmental Accounting Standards Board pronouncements. Therefore, a comparative analysis of government-wide data is also included in this report.

A condensed version of the statement of net position follows:

	<u>December 31</u>		<u>2020 Change</u>	
	<u>2020</u>	<u>2019</u>	<u>Amount</u>	<u>Percent</u>
ASSETS				
Current and other assets	\$ 14,957,194	15,086,751	(129,557)	(1) %
Capital assets, net of accumulated depreciation	<u>26,715,601</u>	<u>27,551,814</u>	<u>(836,213)</u>	(3)
Total Assets	<u>41,672,795</u>	<u>42,638,565</u>	<u>(965,770)</u>	(2)
DEFERRED OUTFLOWS OF RESOURCES				
	<u>1,383,072</u>	<u>1,049,470</u>	<u>333,602</u>	32
LIABILITIES				
Current and other liabilities	1,563,584	1,899,494	(335,910)	(19)
Long-term liabilities	<u>7,222,904</u>	<u>8,042,898</u>	<u>(819,994)</u>	(10)
Total Liabilities	<u>8,786,488</u>	<u>9,942,392</u>	<u>(1,155,904)</u>	(12)
DEFERRED INFLOWS OF RESOURCES				
	<u>355,327</u>	<u>722,663</u>	<u>(367,336)</u>	(51)
NET POSITION				
Net investment in capital assets	20,118,948	20,046,603	72,345	-
Restricted	6,529,879	6,275,698	254,181	4
Unrestricted	<u>7,265,225</u>	<u>6,700,679</u>	<u>564,546</u>	8
Total Net Position	<u>\$ 33,914,052</u>	<u>33,022,980</u>	<u>891,072</u>	3 %

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As illustrated above, in the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$33,914,052 at December 31, 2020.

**CITY OF SUNSET HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

The City's unrestricted net position of \$7,265,225 (21%) may be used to meet the City's ongoing obligations to citizens and creditors. Additionally, a portion of the City's governmental activities net position of \$6,529,879 represents resources that are subject to external restrictions on how they may be used.

The remaining portion of the City's net position reflects its investment in capital assets (e.g., land, infrastructure, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. 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.

A condensed version of the statement of activities follows:

	For The Years		2020 Change	
	2020	2019	Amount	Percent
REVENUES				
Program revenues:				
Charges for services	\$ 1,485,508	2,088,777	(603,269)	(29) %
Operating grants and contributions	1,468,652	747,022	721,630	97
Capital grants and contributions	798,745	692,573	106,172	15
General revenues:				
Taxes:				
Sales	4,977,585	5,410,383	(432,798)	(8)
Utility	1,518,884	1,644,367	(125,483)	(8)
Property	212,735	225,780	(13,045)	(6)
Franchise	127,841	129,114	(1,273)	(1)
Other	18,305	17,525	780	4
Investment income	170,904	302,984	(132,080)	(44)
Miscellaneous	130,922	56,453	74,469	132
Total Revenues	<u>10,910,081</u>	<u>11,314,978</u>	<u>(404,897)</u>	(4)
EXPENSES				
General government	791,468	764,616	26,852	4
Public works	2,617,362	2,436,001	181,361	7
Public safety	3,793,815	3,629,504	164,311	5
Municipal court	146,522	177,114	(30,592)	(17)
Parks and recreation	2,158,267	2,650,135	(491,868)	(19)
Pool	244,982	605,409	(360,427)	(60)
Interest and fiscal charges	266,593	268,757	(2,164)	(1)
Total Expenses	<u>10,019,009</u>	<u>10,531,536</u>	<u>(512,527)</u>	(5)
CHANGE IN NET POSITION	891,072	783,442	107,630	14
NET POSITION, JANUARY 1	<u>33,022,980</u>	<u>32,239,538</u>	<u>783,442</u>	2
NET POSITION, DECEMBER 31	<u>\$ 33,914,052</u>	<u>33,022,980</u>	<u>891,072</u>	3 %

**CITY OF SUNSET HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Change in net position. Revenues decreased by 4% from the previous year due primarily due to COVID-19 impact on revenue generating activity such as retail sales, pool and community center membership, and attendance and ticketing activity. This was partially offset by revenue from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of \$584,278 and a donation of \$500,000. Expenses decreased by 5% due to the City's response to revenue reductions, and was in the form of reduced part-time parks and pool employees and the reduction in planned repairs and maintenance. A partial offset to expense reductions was recognition of an additional payroll period's expense due to a change in policy from "pay-to-date" to "two weeks in arrears" effective January 1, 2021.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The City has invested, net of accumulated depreciation \$26,715,598 at December 31, 2020, in a broad range of capital assets, including land, buildings, vehicles, equipment, and infrastructure. This amount represents a net decrease of \$836,216 for the current fiscal year (including additions and deductions).

The City's capital assets, net of accumulated depreciation, consisted of:

	December 31	
	2020	2019
Land	\$ 4,841,079	4,841,079
Construction in progress	214,339	241,882
Land improvements	1,533,209	1,826,771
Buildings and improvements	9,113,786	9,572,830
Vehicles and equipment	1,963,301	2,090,729
Infrastructure	9,049,887	8,978,523
Total Capital Assets	\$ 26,715,601	27,551,814

Additional information on the City's capital assets can be found in Note C.

Long-term Debt. The City's long-term debt consisted of:

	December 31	
	2020	2019
Refunding certificates of participation	\$ 6,230,000	7,010,000
Premium on certificates of participation	316,963	371,309
Capital lease obligation	374,354	502,912
Compensated absences	301,587	158,677
Total Long-term Debt	\$ 7,222,904	8,042,898

Additional information on the City's long-term debt can be found in Note G.

**CITY OF SUNSET HILLS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

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 the City of Sunset Hills, Missouri, Office of the City Clerk, 3939 South Lindbergh Boulevard, Sunset Hills, Missouri, 63127.

CITY OF SUNSET HILLS, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash	\$ 7,984,624
Investments	2,945,062
Receivables:	
Property tax	127,051
Other tax	1,351,075
Interest	17,743
Other	573,160
Prepaid items	265,203
Net pension asset	1,693,276
Capital assets:	
Land and construction in progress	5,055,418
Other capital assets, net of accumulated depreciation	21,660,183
Total Assets	41,672,795
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pension	1,058,408
Deferred charges on refunding	324,664
Total Deferred Outflows Of Resources	1,383,072
 LIABILITIES	
Accounts payable	117,022
Accrued wages	243,345
Accrued interest payable	58,181
Escrow	110,617
Other liabilities	157,114
Unearned revenue - business licenses	877,305
Noncurrent liabilities:	
Due within one year	952,602
Due in more than one year	6,270,302
Total Liabilities	8,786,488
 DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pension	355,327
 NET POSITION	
Net investment in capital assets	20,118,948
Restricted for:	
Storm water and parks	1,967,248
Capital projects	1,085,336
County road	519,443
Public safety	3,824
Net pension asset	2,396,357
Donor restricted	481,168
Unrestricted	7,341,728
Total Net Position	\$ 33,914,052

See notes to financial statements

CITY OF SUNSET HILLS, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Revenues			Net Revenues (Expenses) And Change In Net Position	
FUNCTIONS/PROGRAMS	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Governmental Activities					
General government	\$ 791,468	900,003	-	-	108,535
Public works	2,617,362	73,541	734,180	329,148	(1,480,493)
Public safety	3,793,815	189,645	585,964	-	(3,018,206)
Municipal court	146,522	-	-	-	(146,522)
Parks and recreation	2,158,267	321,007	148,508	469,597	(1,219,155)
Pool	244,982	1,312	-	-	(243,670)
Interest and other fiscal charges on long-term debt	266,593	-	-	-	(266,593)
Total Governmental Activities	\$ 10,019,009	1,485,508	1,468,652	798,745	(6,266,104)
General Revenues					
Sales taxes					4,977,585
Utility taxes					1,518,884
Property taxes					212,735
Franchise taxes					127,841
Other taxes					18,305
Investment income					170,904
Gain on sale of capital assets					27,550
Miscellaneous					103,372
Total General Revenues					7,157,176
CHANGE IN NET POSITION					891,072
NET POSITION, JANUARY 1					33,022,980
NET POSITION, DECEMBER 31					\$ 33,914,052

See notes to financial statements

CITY OF SUNSET HILLS, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Capital Projects Fund	County Road Fund	Storm Water/ Parks Fund	Total Governmental Funds
ASSETS					
Cash and investments	\$ 7,879,791	953,487	377,784	1,608,007	10,819,069
Restricted cash	110,617	-	-	-	110,617
Receivables:					
Property tax	127,051	-	-	-	127,051
Other tax	770,816	156,170	240,360	183,729	1,351,075
Interest	7,151	-	-	10,592	17,743
Other	395,776	-	-	177,384	573,160
Due from other funds	6,800	-	-	-	6,800
Prepaid items	265,203	-	-	-	265,203
	<u>\$ 9,563,205</u>	<u>1,109,657</u>	<u>618,144</u>	<u>1,979,712</u>	<u>13,270,718</u>
Total Assets					
LIABILITIES					
Accounts payable	\$ 64,839	17,521	22,198	12,464	117,022
Accrued wages	243,345	-	-	-	243,345
Due to other funds	-	6,800	-	-	6,800
Escrow	110,617	-	-	-	110,617
Other liabilities	157,114	-	-	-	157,114
Unearned revenue - business licenses	877,305	-	-	-	877,305
	<u>1,453,220</u>	<u>24,321</u>	<u>22,198</u>	<u>12,464</u>	<u>1,512,203</u>
Total Liabilities					
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	48,791	-	76,503	-	125,294
FUND BALANCES					
Nonspendable:					
Prepaid items	265,203	-	-	-	265,203
Restricted for:					
Capital Projects	-	1,085,336	-	-	1,085,336
County Road	-	-	519,443	-	519,443
Storm Water/Parks	-	-	-	1,967,248	1,967,248
Police department training	2,167	-	-	-	2,167
Drug forfeiture	1,657	-	-	-	1,657
Donor restriction	481,168	-	-	-	481,168
Unrestricted/unassigned	7,310,999	-	-	-	7,310,999
	<u>8,061,194</u>	<u>1,085,336</u>	<u>519,443</u>	<u>1,967,248</u>	<u>11,633,221</u>
Total Fund Balances					
	<u>\$ 9,563,205</u>	<u>1,109,657</u>	<u>618,144</u>	<u>1,979,712</u>	<u>13,270,718</u>
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances					

CITY OF SUNSET HILLS, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

Total Fund Balances - Governmental Funds	\$ 11,633,221
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 (\$40,201,139) and the accumulated depreciation is (\$13,485,538).	26,715,601
Net pension assets reported in governmental activities is not a financial resource, therefore, is not reported in the governmental funds.	1,693,276
Receivables not collected in the current period are not available to pay current expenditures, therefore, are deferred in the funds.	125,294
Certain items are not a financial resource and, therefore, are not reported in the governmental funds. These consist of:	
Deferred outflows of resources	1,058,408
Deferred inflows of resources	(355,327)
Deferred charges on refunding	324,664
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Accrued interest payable	(58,181)
Refunding certificates of participation	(6,230,000)
Premium on certificates of participation	(316,963)
Capital lease obligation	(374,354)
Compensated absences	(301,587)
Total Net Position Of Governmental Activities	\$ 33,914,052

CITY OF SUNSET HILLS, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Projects Fund	County Road Fund	Storm Water/ Parks Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 4,733,512	966,657	-	1,137,237	6,837,406
Intergovernmental	351,295	-	401,833	-	753,128
Licenses and permits	929,576	-	-	-	929,576
Fines and court costs	178,853	-	-	-	178,853
Investment income	89,180	-	45	81,679	170,904
Charges for service	375,051	-	-	-	375,051
Grants and donations	1,415,112	-	-	118,105	1,533,217
Miscellaneous	80,230	-	-	-	80,230
Total Revenues	<u>8,152,809</u>	<u>966,657</u>	<u>401,878</u>	<u>1,337,021</u>	<u>10,858,365</u>
EXPENDITURES					
Current:					
General government	654,821	-	-	-	654,821
Public works	931,530	-	527,041	-	1,458,571
Public safety	2,838,315	-	-	-	2,838,315
Municipal court	116,912	-	-	-	116,912
Parks and recreation	810,060	-	-	548,778	1,358,838
Pool	25,521	-	-	-	25,521
Nondepartmental	1,224,651	-	-	-	1,224,651
Capital outlay	382,471	537,016	306	97,400	1,017,193
Debt service:					
Principal retirement	-	128,558	-	780,000	908,558
Interest and fiscal charges	-	13,877	-	236,100	249,977
Total Expenditures	<u>6,984,281</u>	<u>679,451</u>	<u>527,347</u>	<u>1,662,278</u>	<u>9,853,357</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,168,528</u>	<u>287,206</u>	<u>(125,469)</u>	<u>(325,257)</u>	<u>1,005,008</u>
OTHER FINANCING SOURCES					
Proceeds from sale of capital assets	12,247	43,100	-	-	55,347
Insurance proceeds	23,152	-	-	-	23,152
Total Other Financing Sources	<u>35,399</u>	<u>43,100</u>	<u>-</u>	<u>-</u>	<u>78,499</u>
NET CHANGE IN FUND BALANCES	1,203,927	330,306	(125,469)	(325,257)	1,083,507
FUND BALANCES, JANUARY 1	<u>6,857,267</u>	<u>755,030</u>	<u>644,912</u>	<u>2,292,505</u>	<u>10,549,714</u>
FUND BALANCES, DECEMBER 31	<u>\$ 8,061,194</u>	<u>1,085,336</u>	<u>519,443</u>	<u>1,967,248</u>	<u>11,633,221</u>

See notes to financial statements

CITY OF SUNSET HILLS, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change In Fund Balances - Governmental Funds	\$ 1,083,507
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.	1,032
The acquisition of capital assets requires the use of current financial resources but has no effect on net position.	812,703
The proceeds from the disposal of capital assets is revenue in the governmental funds, whereas the gain or loss on the disposal is recorded in the statement of activities, with the difference being the net book value of the disposed capital assets.	(13,837)
The cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense in the statement of activities.	(1,635,079)
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. Also the governmental funds report the effects of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.	
Amortization of premium	54,346
Refunding certificates of participation debt payments	780,000
Capital lease obligation payments	128,558
Amortization of deferred charges on refunding	(54,346)
Compensated absences	(142,910)
Some expenses do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Accrued interest	(16,616)
Pension expense	(106,286)
Change In Net Position Of Governmental Activities	<u><u>\$ 891,072</u></u>

CITY OF SUNSET HILLS, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF SUNSET HILLS, MISSOURI** (the City), a fourth-class city, was incorporated in June of 1957 and established a Mayor/Board of Aldermen form of government. The City's major operations include police protection, street maintenance and improvements, parks and recreation, general administrative services, legislative services, judicial services, and planning.

The significant accounting policies applied by the City in the preparation of the accompanying basic financial statements are summarized below:

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. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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 SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be 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 and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period, if any. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund -- The Capital Projects Fund is used to account for sales tax revenue designated for capital projects.

County Road Fund -- The County Road Fund is a special revenue fund used to account for property taxes collected for road repairs and maintenance. The City has chosen to voluntarily classify this fund as a major fund.

Storm Water/Parks Fund -- The Storm Water/Parks Fund is a special revenue fund used to account for taxes collected for storm water and parks and recreation activities.

4. Cash and Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. Investments are stated at fair value or cost which approximates fair value.

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance restriction which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

6. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), if any, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at 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 January 1, 2004.

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

Assets	Years
Buildings and improvements	15 - 50
Land improvements	15 - 50
Vehicles and equipment	2 - 30
Infrastructure	10 - 50

7. Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses) in the governmental fund types.

8. Due To/From Other Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Compensated Absences

The City has adopted a formal personnel policy with policies in effect that relate to paid time off, compensatory time and sick pay. City employees are allowed to carry forward paid time off days past their anniversary date. Compensatory time may be accrued up to 80 hours maximum. In the event of termination, an employee is paid for accumulated paid time off and compensatory time. Paid time off and compensatory time is not accrued in the respective governmental types as it is earned since it is not expected to be paid from current available resources. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

10. Property Taxes

The City's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are levied on October 1 and payable by December 31. A lien is placed on the property on January 1 and is then subject to interest and penalties. The assessed value at January 1, 2020 for real, personal, and public utility property was \$441,842,301.

The City's tax rate was levied at the following rates per \$100 of assessed valuation for the General Fund:

	<u>2020 Tax Rates</u>
Residential	\$0.0470
Agricultural	0.0520
Commercial	0.0480
Personal	0.0600

11. Allowance for Doubtful Accounts

Court revenue is recognized when proceeds are received. There has been no recognition of revenue from fines assessed but not collected.

12. Grant Revenue

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as unearned revenue or amounts receivable from the grantor.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Fund Balances

The fund balance amounts are reported in the following applicable categories 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 (ordinance) 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 by ordinance has designated authority.

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

The City's policy is to maintain an unrestricted fund balance in the General Fund of at least 10% of the annual operating expenditure budget.

When both restricted and unrestricted resources are available, the City will spend the most restricted amounts before the least restricted.

14. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has deferred outflows of resources related to the pension and related to charges on debt refunding reported on the government-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has deferred inflows of resources for unavailable revenues from various sources reported on the governmental funds balance sheet. The City also has deferred inflows of resources related to the pension reported on the government-wide statement of net position.

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could differ from those estimates.

16. Pensions

For purposes of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Missouri Local Government Employees Retirement System (LAGERS) and additions to/deductions from LAGERS' fiduciary net position have been determined on the same basis as they are reported by LAGERS. For this purpose, benefit payments including refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. LAGERS' investments are reported at fair value.

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

As of December 31, 2020, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of December 31, 2020, the City holds the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Maturities</u>			<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	
Debt securities:					
U.S. Treasury obligations	\$ 2,645,396	-	1,394,828	1,250,568	Aaa
U.S. government agency security	299,666	-	-	29,966	Aaa
Total	<u>\$ 2,945,062</u>	<u>-</u>	<u>1,394,828</u>	<u>1,280,534</u>	

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Investments Policies have been established and approved to apply to all financial assets of the City. The policy does not address custodial credit risk. In addition, the policy allows for the investment of debt proceeds held by the bond trustees, to be invested in accordance with the bond documents.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City will minimize its credit risk by prequalifying financial institutions 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 minimizes the 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. The City invests operating funds 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 will diversify the portfolio so that potential losses on individual securities will be minimized.

Concentration of credit risk is required to be disclosed by the City for investments in any one issuer that represents 5% or more of total investments (investments issued by or explicitly guaranteed by the United States Government, investments in mutual funds, investments in external investment pools, and investments in other pooled investments are exempt).

The City structures its investment portfolio so that securities mature to meet cash requirements for ongoing operations. As a means of limiting its exposure to fair value losses from rising interest rates, the City's investment policy limits its investment allocation as follows:

<u>Investment Type</u>	<u>Maturity Range</u>	<u>Maximum Allocation</u>
U.S. Treasury bills, notes, bonds	Less than 10 years	100 %
U.S. Government agency and instrumentality obligations	Less than 3 years	75
Collateralized repurchase	Less than 90 days	50
Certificates of deposit	Less than 5 years	50
Commercial paper	Less than 5 years	10
Bankers' acceptances	Less than 180 days	10

Custodial Credit Risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party.

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

To limit its exposure, the City's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party acting as the City's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the City's name.

3. Fair Value Measurements

The City classifies its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are prices quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs using a matrix pricing technique, and Level 3 inputs are significant unobservable inputs. All of the City's investments are considered to be Level 2 at December 31, 2020.

Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The inputs and methodologies used for valuing investment securities are not necessarily an indication of risk associated with investing in those securities.

NOTE C - CAPITAL ASSETS

The following is a summary of changes in capital assets - governmental activities:

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended December 31, 2020			
	Balance December 31 2019	Increases	Decreases	Balance December 31 2020
Capital assets not being depreciated:				
Land	\$ 4,841,079	-	-	4,841,079
Construction in progress	241,882	12,715	(40,258)	214,339
Total Capital Assets Not Being Depreciated	5,082,961	12,715	(40,258)	5,055,418
Capital assets being depreciated:				
Land improvements	3,046,335	-	(9,500)	3,036,835
Buildings and improvements	14,959,384	28,761	-	14,988,145
Vehicles and equipment	4,598,293	316,598	(242,166)	4,672,725
Infrastructure	11,953,129	494,887	-	12,448,016
Total Capital Assets Being Depreciated	34,557,141	840,246	(251,666)	35,145,721
Less - Accumulated depreciation for:				
Land improvements	(1,219,564)	(293,562)	9,500	(1,503,626)
Buildings and improvements	(5,386,554)	(487,805)	-	(5,874,359)
Vehicles and equipment	(2,507,564)	(430,189)	228,329	(2,709,424)
Infrastructure	(2,974,606)	(423,523)	-	(3,398,129)
Total Accumulated Depreciation	(12,088,288)	(1,635,079)	237,829	(13,485,538)
Total Capital Assets Being Depreciated, Net	22,468,853	(794,833)	(13,837)	21,660,183
Governmental Activities Capital Assets, Net	\$ 27,551,814	(782,118)	(54,095)	26,715,601

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

	For The Year Ended December 31 2020
General government	\$ 1,909
Public works	857,945
Public safety	160,583
Parks and recreation	413,056
Pool	201,586
Total	\$ 1,635,079

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN

Plan Description

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

Benefits Provided

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

	2020 Valuation
Benefit multiplier	1.50% for life
Final average salary	3 years
Member contributions	Noncontributory for employees

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

Employees Covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	33
Inactive employees entitled to but not yet receiving benefits	30
Active employees	70
Total	133

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the City do not contribute to the pension plan. The City contribution rates are 6.9% (general) and 5.3% (police) of annual covered payroll.

Net Pension Liability (Asset)

The City's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of February 29, 2020. The pension liability was then rolled forward to the measurement date of June 30, 2020, utilizing procedures incorporating the actuarial assumptions.

Actuarial Assumptions

The total pension liability in the February 29, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

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

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 29, 2020 valuation were based on the results of an actuarial experience study for the period March 1, 2010 through February 28, 2015.

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

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-term Expected Real Rate Of Return</u>
Alpha	15.00 %	3.67 %
Equity	35.00	4.78
Fixed income	31.00	1.41
Real assets	36.00	3.29
Strategic assets	8.00	5.25
Cash/leverage	(25.00)	(0.29)

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined 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.

Changes in the Net Pension Liability (Asset)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (Asset) (c)</u>
Balances at June 30, 2019	\$ 17,098,464	19,653,303	(2,554,839)
Changes for the year:			
Service cost	385,545	-	385,545
Interest	1,236,411	-	1,236,411
Difference between expected and actual experience	(249,017)	-	(249,017)
Contributions - employer	-	253,449	(253,449)
Net investment income	-	254,399	(254,399)
Benefit payments, including refunds	(476,184)	(476,184)	-
Administrative expense	-	(17,216)	17,216
Other	-	20,744	(20,744)
Net Changes	<u>896,755</u>	<u>35,192</u>	<u>861,563</u>
Balances at June 30, 2020	<u>\$ 17,995,219</u>	<u>19,688,495</u>	<u>(1,693,276)</u>

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

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

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

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
Net pension liability (asset)	\$ 1,051,833	(1,693,276)	(3,938,144)

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

For the year ended December 31, 2020, the City recognized pension expense of \$376,096. Reported deferred outflows and inflows of resources are related to pensions from the following sources:

	Outflows	Inflows	Net
Differences in experience	\$ 298,780	(351,643)	(52,863)
Assumption changes	92,673	(3,684)	88,989
Contributions subsequent to the measurement date	131,532	-	131,532
Net difference between projected and actual earnings on pension plan investments	535,423	-	535,423
Net Pension Liability (Asset)	\$ 1,058,408	(355,327)	703,081

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 (asset) for the year ending December 31, 2020.

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

For The Years Ending December 31		
2021		\$ (55,921)
2022		120,718
2023		287,667
2024		253,797
2025		(16,857)
Thereafter		(17,855)
Total		\$ 571,549

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - PENSION PLAN (Continued)

Payable to the Pension Plan

The City reported a payable of \$14,833 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

NOTE E - GROUND LEASE

The City has an agreement leasing ground through March 14, 2021. Monthly payments under this agreement are \$1,597 for 2020. The City also has an agreement with the St. Louis Bombers RFC. Annual payment for 2020 is \$2,000. Future payments are \$3,000 starting in 2021. The length of the lease is 25 years, with an option to renew. Future payments to be received under these leases are as follows:

For The Years Ending December 31	
2021	\$ 7,792
2022	3,000
2023	3,000
2024	3,000
2025	3,000
2026 - 2030	15,000
2031 - 2035	15,000
2036 - 2040	15,000
2041 - 2043	9,000
Total	<u>\$ 73,792</u>

NOTE F - DEFERRED COMPENSATION PLAN

The City participates in a deferred compensation plan under Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not make a contribution to the deferred compensation plan.

VOYA Life Insurance and Annuity Company administers the City's deferred compensation plan. The City does not have significant administrative involvement in the deferred compensation plan. In accordance with Governmental Accounting Standards Board (GASB) No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City's deferred compensation plan is not included within their financial statements as the deferred compensation plan is a trust fund whose assets are not held by the City in a fiduciary capacity.

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM LIABILITIES

Refunding Certificates of Participation Notes Series 2016 (Direct Placement) were issued totaling \$8,515,000 to refund the outstanding Series 2009 bonds, callable on March 1, 2018, which were used to fund capital improvements. Interest rates range from 2% to 4%. The outstanding balance at December 31, 2020 was \$6,230,000. In general, the terms of the debt include that if an event of default occurs, the trustee of the debt shall have the right to possession of the property for the remainder of the term of the debt and shall have the right to sublease the property or sell its interest in the property and in the base agreement. In addition, the terms of the debt have certain optional redemption provisions which allow the City to redeem the debt.

Payments required on these certificates are as follows:

For The Years Ending December 31	Principal	Interest	Total
2021	\$ 805,000	212,325	1,017,325
2022	825,000	187,875	1,012,875
2023	850,000	162,750	1,012,750
2024	880,000	132,400	1,012,400
2025	920,000	96,400	1,016,400
2026 - 2027	1,950,000	78,800	2,028,800
Total	<u>\$ 6,230,000</u>	<u>870,550</u>	<u>7,100,550</u>

Capital Lease - The City has entered into lease agreements for financing the acquisition of certain equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Equipment	\$ 849,959
Less - Accumulated depreciation	<u>(88,537)</u>
Total	<u>\$ 761,422</u>

Maturities required on the Master Governmental Lease-Purchase Agreement are as follows:

For The Years Ending December 31	Principal	Interest	Total
2021	\$ 132,524	9,912	142,436
2022	136,612	5,823	142,435
2023	105,218	1,609	106,827
Total	<u>\$ 374,354</u>	<u>17,344</u>	<u>391,698</u>

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - LONG-TERM LIABILITIES (Continued)

The following is a summary of changes in long-term liabilities is as follows:

	For The Year Ended December 31, 2020				Due Within One Year
	Balance December 31 2019	Additions	Reductions	Balance December 31 2020	
	Refunding certificates of participation	\$ 7,010,000	-	780,000	
Premium on certificates of participation	371,309	-	54,346	316,963	
Capital lease obligation	502,912	-	128,558	374,354	132,524
Compensated absences	158,677	478,684	335,774	301,587	15,078
Total	\$ 8,042,898	478,684	1,298,678	7,222,904	952,602

The refunding certificates of participation notes are liquidated by the Storm Water/Parks Fund, the capital lease is liquidated by the Capital Projects Fund, and compensated absences are liquidated by the General Fund.

NOTE H - INTERFUND ASSET/LIABILITIES

The outstanding balances between funds result mainly from the time lag between the dates that: 1) Interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Amounts are expected to be repaid during the next fiscal year. The following is a reconciliation of receivables and payables:

Individual interfund assets and liabilities balances are as follows:

Receivables Fund	Payables Fund	December 31 2020
General Fund	Capital Projects Fund	\$ 6,800

NOTE I - RESTRICTED NET POSITION

The government-wide statement of net position reports \$6,529,879 of restricted net position, all of which is restricted by enabling legislation.

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE J - COMMITMENTS AND CONTINGENCIES

From time to time, the City is a party to various pending claims and legal actions arising in the ordinary course of its operations. Although the outcome of such matters cannot be forecast with certainty, in the opinion of management, all such matters are adequately covered by insurance, or if not covered, are without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the City.

NOTE K - TAX ABATEMENTS

As of December 31, 2020, the City provides tax abatements through the Chapter 353 Tax Abatement Program, Missouri Revised Statutes.

Chapter 353 tax abatement is an incentive to encourage the redevelopment of blighted areas by providing real property tax abatement. These abatements are under the authority of Chapter 35 of the Revised Statutes of Missouri (the "Urban Redevelopment Corporation Law"). To be eligible for tax abatement, either the City or a private entity must form an Urban Redevelopment Corporation organized for the purpose of clearance, replanning, reconstruction, or rehabilitation of blighted areas. Tax abatement is only extended to real property that has been found to be a "blighted area" by the City. Under Chapter 353, the City may grant tax abatements up to 100% of annual property taxes for the first 10 years for the increased assessed value over the base land value and up to 50% of annual property taxes for the next 15 years for the maximum 25 year abatement. The length of time abatements are permitted and the amount of abatement allowed is outlined within the guidelines developed for each area or project designated.

For the year ended December 31, 2020, the City abated taxes of 100% on land over the base assessment totaling \$1,709 under this program. The City receives payments in lieu of taxes (PILOTs) equaling 20% of the total assessed value.

NOTE L - PENDING GOVERNMENTAL ACCOUNTING STANDARDS

The effect on the City's financial statements of the following statements issued, but not yet adopted, has not been determined.

This report does not incorporate GASB Statement No. 87, *Leases*, and GASB Statement No. 89, *Accounting for Interest Costs Incurred before the End of a Construction Period*. The effects of the City's financial statements as a result of adoption of these new pronouncements are unknown. The City will adopt and implement these statements at the required time.

CITY OF SUNSET HILLS, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE M - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

The City has active construction projects and purchase commitments as of December 31, 2020. At December 31, 2020, the City's commitments with contractors are as follows:

<u>Project</u>	<u>Total Contract</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
I-44 pedestrian bridge project	\$ 156,425	126,135	30,290
Watson Trail playground renovation	39,000	4,900	34,100
Street striping	13,226	-	13,226
Tennis court resurfacing	27,650	-	27,650
Stieren Area parking lot paving	6,234	-	6,234
Equipment purchase - enclosed gator	17,325	-	17,325
Total	<u>\$ 259,860</u>	<u>131,035</u>	<u>128,825</u>

NOTE N - RISK MANAGEMENT

The City is exposed to various risks of loss related to tort; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City purchases commercial insurance to cover risks related to building and other City property, crimes, business, travel, earthquakes, and employee blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

NOTE O - SUBSEQUENT EVENT

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 21, 2021, the date of the Independent Auditor's Report and the date the financial statements were available to be issued.

On March 23, 2021, the Board of Aldermen approved the formation of a Community Improvement District in the Shoppes at Sunset Hills Plaza. This provides for a 1% District sales tax to fund a portion of the redevelopment costs and public improvements. The District covers approximately 9.57 acres of land and consists of two parcels (parcel identification numbers: 25M120763 and 25M120772). The proposed District is generally bounded by and adjacent to Lindbergh Blvd. to the west of both parcels and Watson Road to the north of parcel locator number 25M120763.

On April 6, 2021, the voters approved Proposition U which is the imposition of a use tax. It does not increase or change the local sales tax rate. It applies to some out-of-state and online purchases and is only collected when sales taxes are not. The State of Missouri already collects the state use tax; this proposal simply adds the City's portion.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF SUNSET HILLS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,285,983	4,756,487	4,733,512	(22,975)
Intergovernmental	360,000	300,000	351,295	51,295
Licenses and permits	950,000	950,000	929,576	(20,424)
Fines and court costs	375,000	312,500	178,853	(133,647)
Investment income	90,000	90,000	89,180	(820)
Charges for services	897,610	424,620	375,051	(49,569)
Grants and donations	-	1,454,278	1,415,112	(39,166)
Miscellaneous	47,000	47,000	80,230	33,230
Total Revenues	<u>8,005,593</u>	<u>8,334,885</u>	<u>8,152,809</u>	<u>(182,076)</u>
EXPENDITURES				
Current:				
General government	652,702	660,306	654,821	(5,485)
Public works	1,303,346	950,324	931,530	(18,794)
Public safety	2,945,293	2,846,279	2,838,315	(7,964)
Municipal court	162,214	128,632	116,912	(11,720)
Parks and recreation	1,170,177	824,926	810,060	(14,866)
Pool	335,250	26,142	25,521	(621)
Nondepartmental	1,328,500	1,238,494	1,224,651	(13,843)
Capital outlay	25,650	381,500	382,471	971
Total Expenditures	<u>7,923,132</u>	<u>7,056,603</u>	<u>6,984,281</u>	<u>(72,322)</u>
REVENUES OVER EXPENDITURES	<u>82,461</u>	<u>1,278,282</u>	<u>1,168,528</u>	<u>(109,754)</u>
OTHER FINANCING SOURCES				
Insurance proceeds	-	-	23,152	23,152
Proceeds from sale of capital assets	-	-	12,247	12,247
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>35,399</u>	<u>35,399</u>
NET CHANGE IN FUND BALANCE	<u>\$ 82,461</u>	<u>1,278,282</u>	1,203,927	<u>(74,355)</u>
FUND BALANCE, JANUARY 1			<u>6,857,267</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 8,061,194</u>	

CITY OF SUNSET HILLS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - COUNTY ROAD FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 406,000	406,000	401,833	(4,167)
Investment income	-	-	45	45
Total Revenues	<u>406,000</u>	<u>406,000</u>	<u>401,878</u>	<u>(4,122)</u>
EXPENDITURES				
Current:				
Public works	215,000	528,015	527,041	(974)
Capital outlay	250,000	-	306	306
Total Expenditures	<u>465,000</u>	<u>528,015</u>	<u>527,347</u>	<u>(668)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (59,000)</u>	<u>(122,015)</u>	(125,469)	<u>(3,454)</u>
FUND BALANCE, JANUARY 1			<u>644,912</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 519,443</u>	

CITY OF SUNSET HILLS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - STORM WATER/PARKS FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Budget</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,250,730	1,042,275	1,137,237	94,962
Grants	800,000	98,500	118,105	19,605
Investment income	50,000	50,000	81,679	31,679
Total Revenues	<u>2,100,730</u>	<u>1,190,775</u>	<u>1,337,021</u>	<u>146,246</u>
EXPENDITURES				
Current:				
Parks and recreation	554,592	548,782	548,778	(4)
Capital outlay	810,000	100,700	97,400	(3,300)
Debt service:				
Principal retirement	780,000	780,000	780,000	-
Interest and fiscal charges	236,100	236,100	236,100	-
Total Expenditures	<u>2,380,692</u>	<u>1,665,582</u>	<u>1,662,278</u>	<u>(3,304)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (279,962)</u>	<u>(474,807)</u>	(325,257)	<u>149,550</u>
FUND BALANCE, JANUARY 1			<u>2,292,505</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,967,248</u>	

Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to January 1, the Mayor presents to the Board of Aldermen a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. Annually, the budget is approved and adopted by ordinance by the Board of Aldermen.
- c. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Expenditures may not legally exceed budgeted appropriations at the department level.
- d. The current year budget may include supplemental appropriations. An ordinance from the Board of Aldermen is required to amend budgeted amounts.
- e. Annual appropriated budgets are adopted for all governmental funds.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Pension Liability						
Service cost	\$ 385,545	367,310	344,543	309,118	298,041	295,830
Interest on the total pension liability	1,236,411	1,130,749	1,057,810	998,655	942,958	917,956
Difference between expected and actual experience	(249,017)	407,623	25,369	23,594	(503,609)	(463,860)
Changes of assumptions	-	-	-	(9,860)	533,663	-
Benefit payments, including refunds	(476,184)	(438,956)	(426,944)	(632,943)	(370,620)	(440,504)
Net Change In Total Pension Liability	<u>896,755</u>	<u>1,466,726</u>	<u>1,000,778</u>	<u>688,564</u>	<u>900,433</u>	<u>309,422</u>
Total Pension Liability Beginning	<u>17,098,464</u>	<u>15,631,738</u>	<u>14,630,960</u>	<u>13,942,396</u>	<u>13,041,963</u>	<u>12,732,541</u>
Total Pension Liability Ending (a)	<u>\$ 17,995,219</u>	<u>17,098,464</u>	<u>15,631,738</u>	<u>14,630,960</u>	<u>13,942,396</u>	<u>13,041,963</u>
Plan Fiduciary Net Position						
Contributions - employer	\$ 253,449	226,633	202,440	191,811	213,444	263,371
Net investment income	254,399	1,213,669	2,028,185	1,850,672	(26,790)	304,836
Benefit payments, including refunds	(476,184)	(438,956)	(426,944)	(632,943)	(370,620)	(440,504)
Administrative expense	(17,216)	(14,979)	(10,413)	(10,452)	(9,848)	(10,626)
Other changes	20,744	25,747	(112,893)	137,448	(233,941)	205,700
Net Change In Plan Fiduciary Net Position	<u>35,192</u>	<u>1,012,114</u>	<u>1,680,375</u>	<u>1,536,536</u>	<u>(427,755)</u>	<u>322,777</u>
Plan Fiduciary Net Position Beginning	<u>19,653,303</u>	<u>18,641,189</u>	<u>16,960,814</u>	<u>15,424,278</u>	<u>15,852,033</u>	<u>15,529,256</u>
Plan Fiduciary Net Position Ending (b)	<u>\$ 19,688,495</u>	<u>19,653,303</u>	<u>18,641,189</u>	<u>16,960,814</u>	<u>15,424,278</u>	<u>15,852,033</u>
Net Pension Liability (Asset) Ending (a)-(b)	<u>\$ (1,693,276)</u>	<u>(2,554,839)</u>	<u>(3,009,451)</u>	<u>(2,329,854)</u>	<u>(1,481,882)</u>	<u>(2,810,070)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	109.41 %	114.94	119.25	115.92	110.63	121.55
Covered Payroll (for February 28/29 Valuation)	\$ 4,386,340	4,327,511	4,051,450	3,857,440	3,451,012	3,601,200
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(38.60) %	(59.04)	(74.28)	(60.40)	(42.94)	(78.03)

Note to schedule:

Information is not available for fiscal years prior to 2015.

CITY OF SUNSET HILLS, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS

	For The Years Ended June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined pension contribution	\$ 283,202	230,425	222,122	183,350	186,917	247,933	289,119	332,419	350,665	337,556
Contributions in relation to the actuarially determined contribution	269,818	230,425	222,122	183,350	186,917	247,933	289,119	294,146	255,745	218,750
Contribution Deficiency	<u>\$ 13,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,273</u>	<u>94,920</u>	<u>118,806</u>
Covered Payroll	\$ 4,353,766	4,396,766	4,299,103	3,931,802	3,676,648	3,661,592	3,414,550	3,495,470	3,449,878	3,415,465
Contributions as a Percentage of Covered Payroll	6.20 %	5.24	5.17	4.66	5.08	6.77	8.47	9.51	10.16	9.88

Notes to schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of February 28/29 prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method
 Amortization method

Entry age normal and modified terminal funding
 A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.

Remaining amortization period
 Asset valuation method
 Inflation
 Salary increases
 Investment rate of return
 Retirement age
 Mortality

15 years
 5 years smoothed market; 20% corridor
 3.25% wage inflation; 2.5% price inflation
 3.25% to 6.55% including wage inflation
 7.25%, net of investment expenses
 Experience-based table of rates that are specific to the type of eligibility condition
 The healthy retiree mortality tables for post-retirement mortality were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables for post-retirement mortality were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees' mortality tables for males and females. Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Other information:

There were no benefit changes during the year.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF SUNSET HILLS, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budget		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,063,052	885,877	966,657	80,780
EXPENDITURES				
Capital outlay	892,800	551,028	537,016	(14,012)
Debt service:				
Principal retirement	128,558	128,558	128,558	-
Interest and fiscal charges	13,877	13,877	13,877	-
Total Expenditures	<u>1,035,235</u>	<u>693,463</u>	<u>679,451</u>	<u>(14,012)</u>
REVENUES OVER EXPENDITURES	27,817	192,414	287,206	94,792
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	<u>55,000</u>	<u>25,000</u>	<u>43,100</u>	<u>18,100</u>
NET CHANGE IN FUND BALANCE	<u>\$ 82,817</u>	<u>217,414</u>	330,306	<u>112,892</u>
FUND BALANCE, JANUARY 1			<u>755,030</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 1,085,336</u>	