

CITY OF LADUE, MISSOURI

***FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2019***

CITY OF LADUE, MISSOURI

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INDEPENDENT AUDITORS' REPORT



The Honorable Mayor and Members of the City Council
CITY OF LADUE, 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 Ladue, Missouri, as of and for the year ended December 31, 2019, 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.

Auditors' 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Emphasis-of-matter

As discussed in Note 14, the City expects to be affected by the global outbreak of the novel strain of the coronavirus. However, the related financial impact and duration cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

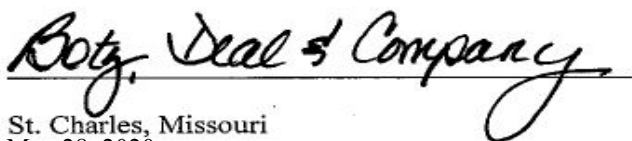
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability and investment returns, schedules of employer contributions, schedule of funding progress and budgetary comparison information on pages 4 through 10 and 42 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Ladue, Missouri's basic financial statements. The supplemental information on pages 52 through 55 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.



St. Charles, Missouri
May 28, 2020

**CITY OF LADUE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

The discussion and analysis of the City of Ladue's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended December 31, 2019. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- From a government-wide overview, the total net position of the City decreased 1.3% from \$38.5 million at December 31, 2018, to \$38 million December 31, 2019. Net position was comprised of: \$23,360,289 net investment in capital assets, \$13,876,477 restricted for capital improvements, \$395,623 restricted for public safety and \$394,742 unrestricted.
- Funding for the City's governmental activities came from direct charges for services of \$1.4 million, capital grants and contributions of \$1.1 million, tax revenues provided \$12.6 million and investment income and other miscellaneous revenues provided approximately \$598,000 additional revenues for a total governmental revenues of \$15.7 million.
- At December 31, 2019, the City's governmental funds reported a combined ending fund balance of \$25,998,331, and decrease of \$461,998.
- The General Fund recorded a deficit (revenues less expenditures and other financing sources and uses) of \$539,965 versus an anticipated budget deficit of \$1,272,690. This \$732,727 favorable variance was led by total expenditures that were below budget by \$658,308 (4.7%) combined with revenues that were over budget by \$74,419 (0.1%). Total transfers were equal to budgeted amounts of \$848,762. The fund balance for the General Fund decreased from \$12,266,196 at the beginning of the year to \$11,726,231 at the end of the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis 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 basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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.

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 between them 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. 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of 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; police; fire; public works; building; finance; and interest on debt.

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.

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, governmental fund 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road and Bridge Fund, Capital Improvement Fund, Storm Water Projects Fund, and Public Safety Fund, which are all considered to be major funds. Data from the other governmental funds, if any, are combined into a single, aggregated presentation. Individual fund data for each nonmajor governmental fund, if any, is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and each major special revenue fund. A budgetary comparison statement has been provided for the General Fund and each major special revenue fund to demonstrate compliance with the budget.

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.

Notes to 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 CITY AS A WHOLE

Government-wide Financial Analysis

The City's combined net position is \$38,027,131 as of December 31, 2019. This analysis focuses on the net position (table 1), as well as revenues and significant expenses (table 2) of the City's governmental activities.

A portion of the City's net position consists of its investment in capital assets (e.g., land, buildings, improvements, vehicles, infrastructure and equipment), less accumulated depreciation and 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. The remaining net position of the City is divided between restricted and unrestricted depending on limitations placed by outside sources.

Table 1

	2019	2018	Increase (Decrease)
Current and other assets	\$ 27,387,984	\$ 28,409,082	\$ (1,021,098)
Capital assets	25,850,918	25,773,511	77,407
Total assets	<u>53,238,902</u>	<u>54,182,593</u>	<u>(943,691)</u>
Deferred Outflows	<u>1,240,816</u>	<u>4,719,375</u>	<u>(3,478,559)</u>
Current liabilities	623,685	1,079,419	(455,734)
Long-term liabilities	3,849,151	4,189,161	(340,010)
OPEB liability	3,067,903	2,748,723	319,180
Net pension liability	5,636,864	11,376,604	(5,739,740)
Total liabilities	<u>13,177,603</u>	<u>19,393,907</u>	<u>(6,216,304)</u>
Deferred Inflows	<u>3,274,984</u>	<u>954,379</u>	<u>2,320,605</u>
Net position:			
Net investment in capital assets	23,360,289	22,885,114	475,175
Restricted	14,272,100	14,194,133	77,967
Unrestricted	394,742	1,474,435	(1,079,693)
Total net position	<u>\$ 38,027,131</u>	<u>\$ 38,553,682</u>	<u>\$ (526,551)</u>

Governmental activities decreased the City's net position by \$526,551. The key elements of this decrease are as follows:

	Table 2		
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Revenues:			
Program revenues:			
Charges for service	\$ 1,394,494	\$ 1,458,617	\$ (64,123)
Capital and operating grants	1,077,428	1,700,807	(623,379)
General revenues:			
Taxes	12,605,281	12,355,690	249,591
Interest income	438,087	363,566	74,521
Miscellaneous	159,792	488,251	(328,459)
Total revenues	<u>15,675,082</u>	<u>16,366,931</u>	<u>(691,849)</u>
Expenses:			
General government	927,667	798,110	129,557
Police department	4,645,353	4,921,522	(276,169)
Fire department	5,642,364	5,759,130	(116,766)
Public works	3,577,356	2,907,650	669,706
Building	827,517	542,830	284,687
Finance	387,505	286,281	101,224
Court	146,542	-	146,542
Interest and fiscal charges	47,329	73,540	(26,211)
Total expenses	<u>16,201,633</u>	<u>15,289,063</u>	<u>912,570</u>
Change in net position	(526,551)	1,077,868	(1,604,419)
Net position, beginning of year, as previously stated	38,553,682	39,165,368	(611,686)
Prior period adjustment - OPEB	-	(1,689,554)	(1,689,554)
Net position, end of year	<u>\$ 38,027,131</u>	<u>\$ 38,553,682</u>	<u>\$ (526,551)</u>

Total 2019 revenues shown in Table 2 were \$15,675,082 compared with total revenues of \$16,366,931 in 2018. The decrease in total revenues of \$691,849 represents an overall decrease in revenue of 4.2%. This decrease in government-wide revenue is primarily due to:

- A decrease of \$623,379 in capital and operating grants due to timing of road projects and reimbursement grants.
- An increase of \$249,591 in tax revenues due to increase in sales tax and off-set by a decrease in utility tax collections, which can vary year to year, as a result of consumption.
- The \$328,459 decrease in miscellaneous revenues was primarily a result of a one-time payment the City received in 2018 for an easement.

Total government-wide expenses increased \$912,570 (6.0%) from \$15,289,063 in 2018 to \$16,201,633 in 2019 primarily due to a modest increase in salaries/wages (COLA) and other personnel costs.

Governmental Funds

The following table presents the amount of revenues from various sources using the modified accrual basis of accounting, for all governmental funds.

Table 3

	2019	2018	Increase (Decrease)	Percentage Change	
Taxes	\$ 12,759,147	\$ 12,398,279	\$ 360,868	2.9	%
Intergovernmental	1,042,827	987,091	55,736	5.6	
Licenses and permits	813,700	877,569	(63,869)	(7.3)	
Fines and court costs	103,673	121,503	(17,830)	(14.7)	
Charges for service	469,889	447,150	22,739	5.1	
Grant income	2,635	694,552	(691,917)	(99.6)	
Investment income	438,087	363,566	74,521	20.5	
Miscellaneous	159,792	453,337	(293,545)	(64.8)	
Total General Revenues	\$ 15,789,750	\$ 16,343,047	\$ (553,297)	(3.4)	%

Total revenues as a whole decreased (3.4%) primarily due to a decrease in grant revenue as a result of the Lay Road project being completed in 2018, and no other road projects taking place during 2019. Additionally, miscellaneous revenues decreased, as a result of a one-time easement payment received in 2018.

THE CITY'S FUNDS

At the close of the City's fiscal year on December 31, 2019, the governmental funds of the City reported a combined fund balance of \$25,998,331. This ending balance reflects a decrease in total fund balances of \$461,998 in the City's funds. Refer to page 15 for individual fund results.

General Fund

Overall, the financial results for the General Fund were favorable in 2019, compared to the budget. The General Fund recorded a deficit (revenues less expenditures and other financing sources and uses) of \$539,965 versus an anticipated budget deficit of \$1,272,692. This \$729,086 favorable variance was led by total expenditures that were below budget by \$658,308 (4.7%) combined with revenues that were over budget by \$74,419 (0.1%). Total transfers were equal to budgeted amounts of \$848,762. The fund balance for the General Fund decreased from \$12,266,196 at the beginning of the year to \$11,726,231 at the end of the year.

Revenue results, nearly approximated budgeted amounts and were 0.1% favorable compared to budget. Tax collections exceeded the budget by \$86,454 (1.0%), miscellaneous revenues exceed the budget by \$64,616, and charges for services exceeded budget by \$25,844. The budgeted revenues fell short for licenses and permits by \$80,028 and fines and court costs by \$21,727.

Expenditure results were 4.7% below budget and all departments finished the year below budget. The City made all of its actuarially required contributions to the uniform pension plan and the non-uniform retirement plan during the year (based on the January 1, 2019 reports).

Road and Bridge Fund

The Road and Bridge Fund recorded a deficit of \$283,498 versus an anticipated budget deficit of \$737,061. This \$453,563 favorable variance was led by total expenditures that were below budget by \$376,530 (31.9%) combined with revenues that exceeded the budget by \$83,142 (8.8%). These variances are the result of the timing of road projects expenditures and corresponding reimbursement grants. The fund balance (all restricted) for the Road and Bridge Fund decreased from \$2,737,087 at the beginning of the year to \$2,453,589 at the end of the year.

Capital Improvements Fund

The Capital Improvements Fund recorded a deficit of \$619,885 versus an anticipated budget deficit of \$1,147,558. This \$527,673 favorable variance was led by expenditures that were below budget by \$467,220 (20.6%), revenues that were over budget by \$60,453 (6.4%). Total transfers were equal to budgeted amounts of \$175,000. The fund balance for the Capital Improvements Fund decreased from \$1,992,181 at the beginning of the year to \$1,372,296 at the end of the year.

Storm Water Projects Fund

The Storm Water Projects Fund recorded a surplus of \$880,174 versus an anticipated budget deficit of \$457,752. This \$1,337,926 favorable variance was led by total expenditures that were below budget by \$1,249,528 (81.2%) enhanced by revenues that were over budget by \$88,398 (7.2%). The fund balance for the Storm Water Fund grew from \$9,170,418 at the beginning of the year to \$10,050,592 at the end of the year.

Public Safety Fund

The Public Safety Fund recorded a surplus of \$101,176 versus an anticipated budget surplus of \$63,000. This \$38,176 favorable variance was mainly the result of greater than anticipated tax collections. The fund balance for the Public Safety Fund grew from \$294,447 at the beginning of the year to \$395,623 at the end of the year.

FIDUCIARY FUNDS

The Non-Uniform Retirement Fund completed the year with assets of \$5,376,572. The City contributed \$218,921 (actuarial required) to the plan during the year. The fund experienced an increase in net position of \$757,878 over the year due to a positive net investment return of \$889,330. The net position for the Non-Uniform Retirement Fund increased from \$4,618,695 at the beginning of the year to \$5,376,572 at the end of the year.

The Uniform Pension Fund completed the year with assets of \$38,451,363. The City contributed \$1,834,700 (actuarial required) and employees contributed \$324,694 (6% of salary) to the plan during the year. The fund experienced an increase in net position of \$5,851,814 over the year due to a positive net investment return of \$6,350,159. The net position for the Uniform Retirement Fund increased from \$32,599,549 at the beginning of the year to \$38,451,363 at the end of the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019, the City had \$41,071,041 invested in a broad range of capital assets, including police and public works equipment, buildings, fire equipment, roads, bridges, and other infrastructure (See Table 4). This amount represents a net increase (including additions and disposals) of \$1,141,231 or 2.9% increase over the prior fiscal year.

Table 4

	2019	2018	Increase (Decrease)
Land	\$ 316,425	\$ 316,425	\$ -
Buildings	11,243,268	11,243,268	-
Improvements	880,687	852,951	27,736
Machinery and equipment	2,856,481	2,704,518	151,963
Vehicles	3,331,135	2,948,508	382,627
Infrastructure	21,549,480	21,284,797	264,683
Construction in progress	893,566	579,343	314,223
Total	<u>\$ 41,071,042</u>	<u>\$ 39,929,810</u>	<u>\$ 1,141,232</u>

The major additions to Capital assets this fiscal year were as follows:

• Clayton Road ADA sidewalks	\$264,683
• 3 Police vehicles	70,461
• Police in-car cameras	60,000
• Fire truck	715,512
• Fire department Chevy Tahoe and other equipment	63,777
• Public works Freightliner	112,021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In 2020, the City of Ladue is estimating an operating budget deficit of \$1,752,866 in the General Fund. In the interest of generating a conservative budget, key revenue streams are, for the most part, forecast slightly higher than 2019 estimated results at the time of budget. Key expenditure areas also contain moderate increases. These expenditures were weighted against projected revenues and the reserve balance of the Fund.

General Fund 2020 revenues are budgeted at \$12,054,716 (excludes \$656,393 in Road and Bridge and Storm Water inter-fund transfers and a \$220,000 Public Safety inter-fund transfer) and expenditures are budgeted at \$14,683,975. These budget expenditure levels represent an overall 4.79% increase from the 2019 budget including a 6.8% increase in estimated total personnel costs. The increase in personnel costs is due to rising insurance costs and the addition of one officer in the Police Department. Other notable General Fund expenditures include a 12.13% increase for property, liability and vehicle insurance, a 20% increase for medical insurance, and a 3.3% increase in utility costs. The City is budgeted to have an ending fund reserve balance of 9,786,765 in the General Fund.

In 2020, the City will continue with the City's ADA implementation plan with construction of Phase 2 improvements on Clayton Road from Warson Road to Eversdale. The City will also begin design of Phase 3 ADA improvements which will be constructed in 2021 on Clayton Road from Eversdale to Lindbergh. These improvements are funded through the Road and Bridge Fund.

The City will continue the implementation of the storm water master plan with designing the five highest priority projects from the Master Plan in the Storm Water Fund. Easement acquisition will be completed in Calendar Year 2020 for two of the five projects; South Tealbrook drainage improvements and Robin Hill Streambank Stabilization improvements which are anticipated to be under construction in 3rd or 4th quarter of 2020. Easement acquisition will be in process in 2020 for the Willow Hill Stormwater Improvements, which is expected to extend to the end of the year with construction scheduled for Calendar Year 2021. Smaller stormwater improvements planned for 2020 include the construction of a trench drain at Conway Road & Conway Elementary and repairs to the Litzsinger Bridge over Deer Creek.

With regards to pavement projects, the City will mill and overlay Gilbert, Kortwright, the alleys in the Clayton Road Business District, and the asphalt shoulder of McKnight between Lindworth and Litzsinger. Gilbert will receive a new concrete curb and gutter. These roads will be sprayed with Reclamite which is an asphalt rejuvenator that extends the life of the pavement. These improvements along with the annual microsurfacing contract will be funded through the Road and Bridge Fund. Dielman Road Improvements will begin the design phase in 2020 which will be funded through the Road & Bridge Fund and Stormwater Fund. The design phase will be 100% locally funded while the ROW and Construction phases will be 80% Federally reimbursed.

Total revenues of \$969,844 and expenditures of \$1,315,843 (excludes \$487,613 inter-fund transfer to General Fund) are projected in the Road and Bridge Fund leading to an expected deficit of \$833,611 and an ending fund reserve balance of \$1,453,761.

Total revenues of \$1,283,809 and expenditures of \$5,842,290 (excludes \$168,780 inter-fund transfer to the General Fund) are projected in the Storm Water Fund leading to a budgeted deficit of \$4,727,261 and an ending fund reserve balance of \$4,784,158. Inter-fund transfers from the Road and Bridge and Storm Water Fund reflect an allocation of Public Works department costs incurred on behalf of these Funds.

The 2020 Capital Improvements Fund budget includes revenues of \$979,251 and an expenditure budget of \$1,735,121 (which includes \$452,017 for debt service for the Firehouse #1 construction. Expenditures are submitted by each department head, reviewed by the Mayor and Finance Committee and submitted for final approval to the City Council. The fund is projected to have a \$555,870 decrease to net income and an estimated ending fund reserve balance of approximately \$748,911.

Subsequent to the end of the fiscal year, the world-wide coronavirus pandemic has occurred. Executive orders issued in an effort to mitigate the impact of this pandemic will have a financial impact on all political subdivisions of the state of Missouri, including the City of Ladue. The City does not believe it is immune to the financial impacts of this pandemic or the efforts to mitigate it; however, the City is guardedly optimistic the financial impact of these events will not be as significant to the City as they will be to other municipalities. Property taxes account for over 40% of the City's revenues. The City believes the property taxes, as well as, enterprises in essential product areas like grocery stores will position the City to be less impacted by these events.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives.

If you have questions about this report or would like additional financial information, please contact Sam Zes, Director of Finance of the City of Ladue, Missouri.

CITY OF LADUE, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 10,747,673
Investments	11,780,715
Taxes receivable:	
Property	2,846,883
Other (net of allowance for doubtful accounts of \$17,918)	1,896,204
Inventory	31,440
Prepaid insurance	85,069
Capital assets - net	
Nondepreciable	1,209,991
Depreciable	24,640,927
TOTAL ASSETS	<u><u>53,238,902</u></u>
 DEFERRED OUTFLOWS	
Deferred outflow related to pension	999,042
Deferred inflows related to OPEB	241,774
DEFERRED OUTFLOWS	<u><u>1,240,816</u></u>
 LIABILITIES	
Accounts payable	230,965
Accrued wages and payroll items	266,413
Escrow payable	7,732
Interest payable	18,099
Due to Agency fund	500
Deferred revenue - alarm fees	99,976
Noncurrent liabilities:	
Due in one year	1,198,177
Due in more than one year	2,650,974
OPEB liability	3,067,903
Net pension liability	5,636,864
TOTAL LIABILITIES	<u><u>13,177,603</u></u>
 DEFERRED INFLOWS	
Deferred inflow related to pension	3,179,013
Deferred inflow related to OPEB	95,971
DEFERRED INFLOWS	<u><u>3,274,984</u></u>
 NET POSITION	
Net investment in capital assets	23,360,289
Restricted for capital improvements	13,876,477
Restricted for public safety	395,623
Unrestricted	394,742
TOTAL NET POSITION	<u><u>\$ 38,027,131</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADUE, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Change in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
General government	\$ 927,667	\$ 897,465	\$ -	\$ -	\$ (30,202)
Police department	4,645,353	228,211	-	-	(4,417,142)
Fire department	5,642,364	268,818	-	-	(5,373,546)
Public works	3,577,356	-	-	1,077,428	(2,499,928)
Building	827,517	-	-	-	(827,517)
Finance department	387,505	-	-	-	(387,505)
Court	146,542	-	-	-	(146,542)
Interest and fiscal charges	47,329	-	-	-	(47,329)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 16,201,633	\$ 1,394,494	\$ -	\$ 1,077,428	(13,729,711)
Taxes:					
Sales					4,952,844
Utility					2,319,366
Property					4,965,380
Franchise					367,691
Interest income					438,087
Other miscellaneous revenue					159,792
TOTAL GENERAL REVENUES					13,203,160
CHANGE IN NET POSITION					(526,551)
NET POSITION-BEGINNING OF YEAR,					38,553,682
NET POSITION END OF YEAR					\$ 38,027,131

The accompanying notes are an integral part of these financial statements.

CITY OF LADUE, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	General Fund	Road and Bridge Fund	Capital Improvement Fund	Storm Water Projects Fund	Public Safety Fund	Total
ASSETS						
Cash and cash equivalents	\$ 6,507,255	\$ 1,379,992	\$ 447,655	\$ 2,303,947	\$ 108,824	\$ 10,747,673
Investments	2,530,715	750,000	750,000	7,500,000	250,000	11,780,715
Taxes receivable:						
Property	2,846,883	-	-	-	-	2,846,883
Other (net of allowance for doubtful accounts of \$17,918)	1,052,819	365,426	186,702	254,458	36,799	1,896,204
Due from other funds	1,333	4,162	-	-	-	5,495
Inventory	31,440	-	-	-	-	31,440
Prepaid insurance	85,069	-	-	-	-	85,069
TOTAL ASSETS	<u>\$ 13,055,514</u>	<u>\$ 2,499,580</u>	<u>\$ 1,384,357</u>	<u>\$ 10,058,405</u>	<u>\$ 395,623</u>	<u>\$ 27,393,479</u>
LIABILITIES						
Accounts payable	\$ 166,433	\$ 45,991	\$ 10,728	\$ 7,813	\$ -	\$ 230,965
Accrued wages and payroll items	266,413	-	-	-	-	266,413
Due to other funds	4,662	-	1,333	-	-	5,995
Escrow payable	7,732	-	-	-	-	7,732
Deferred revenue - alarm fees	99,976	-	-	-	-	99,976
TOTAL LIABILITIES	<u>545,216</u>	<u>45,991</u>	<u>12,061</u>	<u>7,813</u>	<u>-</u>	<u>611,081</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	674,287	-	-	-	-	674,287
Unavailable revenue - ambulance fees	58,650	-	-	-	-	58,650
Unavailable revenue - other taxes	51,130	-	-	-	-	51,130
TOTAL DEFERRED INFLOWS	<u>784,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>784,067</u>
FUND BALANCES:						
Non-spendable:						
Prepaid items	85,069	-	-	-	-	85,069
Inventory	31,440	-	-	-	-	31,440
Restricted:						
Road and bridge projects	-	2,453,589	-	-	-	2,453,589
Capital improvements	-	-	1,372,296	-	-	1,372,296
Storm water projects	-	-	-	10,050,592	-	10,050,592
Public Safety	-	-	-	-	395,623	395,623
Assigned:						
Beautification project	9,760	-	-	-	-	9,760
Unassigned	11,599,962	-	-	-	-	11,599,962
TOTAL FUND BALANCES	<u>11,726,231</u>	<u>2,453,589</u>	<u>1,372,296</u>	<u>10,050,592</u>	<u>395,623</u>	<u>25,998,331</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 13,055,514</u>	<u>\$ 2,499,580</u>	<u>\$ 1,384,357</u>	<u>\$ 10,058,405</u>	<u>\$ 395,623</u>	<u>\$ 27,393,479</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADUE, MISSOURI
RECONCILIATION OF THE STATEMENT OF NET POSITION
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
AS OF DECEMBER 31, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance per balance sheet	\$ 25,998,331
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,850,918
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	784,067
Certain deferred outflows of resources represent a consumption or acquisition of net position in a future period and therefore are not reported in the funds.	
Deferred outflow of resources related to pension	999,042
Deferred outflow of resources related to OPEB	241,774
Deferred inflow of resources related to pension	(3,179,013)
Deferred inflow of resources related to OPEB	(95,971)
Interest payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(18,099)
Loan payable recorded in the statement of net position does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds.	(2,490,629)
Long-term liabilities, including the net pension obligation, compensated absences and other post retirement benefits are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(10,063,289)</u>
Net position of governmental activities	<u><u>\$ 38,027,131</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADUE, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Road and Bridge Fund	Capital Improvement Fund	Storm Water Projects Fund	Public Safety Fund	Total
REVENUES						
Taxes	\$ 10,220,070	\$ -	\$ 949,070	\$ 1,116,552	473,455	\$ 12,759,147
Intergovernmental	78,340	964,487	-	-	-	1,042,827
Licenses and permits	774,972	38,728	-	-	-	813,700
Fines and court costs	103,673	-	-	-	-	103,673
Charges for service	469,889	-	-	-	-	469,889
Grant income	-	2,240	-	395	-	2,635
Investment income	196,124	18,382	25,328	195,532	2,721	438,087
Miscellaneous	122,792	-	37,000	-	-	159,792
TOTAL REVENUES	<u>11,965,860</u>	<u>1,023,837</u>	<u>1,011,398</u>	<u>1,312,479</u>	<u>476,176</u>	<u>15,789,750</u>
EXPENDITURES						
Current:						
General government	681,292	-	-	-	-	681,292
Police department	4,722,761	-	-	-	-	4,722,761
Fire department	5,375,580	-	-	-	-	5,375,580
Public works	1,555,528	209,656	-	-	-	1,765,184
Building	612,242	-	-	-	-	612,242
Finance department	294,459	-	-	-	-	294,459
Court	112,725	-	-	-	-	112,725
Capital outlay	-	591,570	1,349,884	289,652	-	2,231,106
Debt service	-	-	456,399	-	-	456,399
TOTAL EXPENDITURES	<u>13,354,587</u>	<u>801,226</u>	<u>1,806,283</u>	<u>289,652</u>	<u>-</u>	<u>16,251,748</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,388,727)	222,611	(794,885)	1,022,827	476,176	(461,998)
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)	848,762	(506,109)	175,000	(142,653)	(375,000)	-
CHANGE IN FUND BALANCE	(539,965)	(283,498)	(619,885)	880,174	101,176	(461,998)
FUND BALANCES - BEGINNING OF YEAR	<u>12,266,196</u>	<u>2,737,087</u>	<u>1,992,181</u>	<u>9,170,418</u>	<u>294,447</u>	<u>26,460,329</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,726,231</u>	<u>\$ 2,453,589</u>	<u>\$ 1,372,296</u>	<u>\$ 10,050,592</u>	<u>\$ 395,623</u>	<u>\$ 25,998,331</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADUE, 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, 2019**

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

Change in fund balance-total governmental funds	\$ (461,998)
The acquisition of capital assets requires the use of current financials resources, but has no effect on net position.	1,741,765
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of capital assets sold.	(13,809)
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(1,650,549)
Revenues in the statement of activities that do not provide current financial resources, are not reported as revenue in the governmental funds.	(114,668)
Expenses related to providing post employment benefits are reported using a different measurement focus in the statement of activities compared to the governmental fund statements. Expenditures in the governmental fund exceed the expense reported in the statement of activities.	(378,604)
Payment of debt are expenditures in the governmental funds, but the payments reduce long-term liabilities in the statement of net position.	397,768
Interest is reported as an expenditure when due in the government funds but is accrued in the statement of activities	11,302
Compensated absences do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds.	<u>(57,758)</u>
Change in net position of governmental activities	<u><u>\$ (526,551)</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADUE, MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2019

ASSETS

	AGENCY FUND	PENSION TRUST		TOTAL
		FIREMEN'S AND POLICEMEN'S PENSION FUND	NON-UNIFORMED EMPLOYEES PENSION FUND	
Cash and cash equivalents	\$ 322,000	\$ 568,265	\$ 82,051	\$ 650,316
Accrued interest receivable	-	69,742	11,018	80,760
Due from general fund	500	-	-	500
Investments - at fair value:				
Bonds funds	-	6,923,418	969,952	7,893,370
Stock funds	-	23,413,757	3,269,874	26,683,631
Hedge fund	-	3,031,262	429,921	3,461,183
Real estate fund	-	4,444,919	613,756	5,058,675
Total Investments	-	37,813,356	5,283,503	43,096,859
 TOTAL ASSETS	 \$ 322,500	 \$ 38,451,363	 \$ 5,376,572	 \$ 43,827,935

LIABILITIES AND NET POSITION

LIABILITIES				
Accounts Payable	\$ 25,000	\$ -	\$ -	\$ -
Building permit escrow payable	297,500	-	-	-
TOTAL LIABILITIES	<u>\$ 322,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
 NET POSITION				
Net position held in trust for pension benefits		<u>38,451,363</u>	<u>5,376,572</u>	<u>43,827,935</u>
 TOTAL LIABILITIES AND NET POSITION		 <u>\$ 38,451,363</u>	 <u>\$ 5,376,572</u>	 <u>\$ 43,827,935</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADUE, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	PENSION TRUST		TOTAL
	FIREMEN'S AND POLICEMEN'S PENSION FUND	NON-UNIFORMED EMPLOYEES PENSION FUND	
ADDITIONS			
Contributions:			
Employer	\$ 1,834,700	\$ 218,921	\$ 2,053,621
Plan members	324,694	-	324,694
Total Contributions	<u>2,159,394</u>	<u>218,921</u>	<u>2,378,315</u>
Investment return:			
Net realized and unrealized gain(loss) on investments	5,683,991	800,313	6,484,304
Interest and dividends	694,812	95,375	790,187
Less: investment expenses	(28,644)	(6,358)	(35,002)
Net Investment Return	<u>6,350,159</u>	<u>889,330</u>	<u>7,239,489</u>
TOTAL ADDITIONS	<u>8,509,553</u>	<u>1,108,251</u>	<u>9,617,804</u>
DEDUCTIONS			
Benefit payments	2,573,553	290,965	2,864,518
Refunds	-	38,356	38,356
Administrative expense	84,186	21,052	105,238
TOTAL DEDUCTIONS	<u>2,657,739</u>	<u>350,373</u>	<u>3,008,112</u>
CHANGE IN NET POSITION	5,851,814	757,878	6,609,692
NET POSITION - BEGINNING OF YEAR	<u>32,599,549</u>	<u>4,618,694</u>	<u>37,218,243</u>
NET POSITION - END OF YEAR	<u>\$ 38,451,363</u>	<u>\$ 5,376,572</u>	<u>\$ 43,827,935</u>

The accompanying notes are an integral part of these financial statements.

CITY OF LADUE, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Ladue, Missouri, (the City) was incorporated December 1, 1936. The City operates under a Mayor-City Council form of government and provides the following services: public safety (police and fire), public works, public improvements, planning and zoning, and general administrative services.

A. **REPORTING ENTITY**

The City applies the criteria set forth in GASB Statement No. 61, *The Financial Reporting Entity* (GASB 61), to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials' accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will and the primary recipient of services. The City presently has no component units included within its reporting entity.

B. **BASIC FINANCIAL STATEMENTS**

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements.

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the Primary Government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated.

Statement of Net Position -The statement of net position is designed to display the financial position of the Primary Government (governmental and business-type activities). The City reports capital assets in the government-wide statement of net position and reports depreciation expense in the statement of activities. The net position of the City is broken down into three categories 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

B. **BASIC FINANCIAL STATEMENTS** - continued

Statement of Activities - The statement of activities reports expenses and revenues in a format that focuses on the cost of each of the City's functions. The expense of individual functions is compared to the revenue generated directly by the function. Accordingly, the City has recorded capital assets and certain other long-term assets and liabilities in the statement of net position and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities. The City has elected to implement the requirements of GASB 34 related to infrastructure assets from January 1, 2004 forward.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Indirect expenses are allocated. Program revenue includes: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund based financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, the Road and Bridge Fund, the Capital Improvement Fund, the Storm Water Projects Fund and the Public Safety Fund. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. Even though the Road and Bridge Fund and Public Safety Fund do not meet the minimum criteria, the City feels these funds are significant enough to be considered a major fund.

C. **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. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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. The City in general considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION** - continued

For the governmental funds financial statements, the City considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The City reports the following major governmental funds:

The General Fund - The City's primary operating fund, which accounts for all the financial resources and the legally authorized activities of the City except those required to be accounted for in other specialized funds.

The Capital Improvements Fund - The City uses this fund to account for sales tax revenue designated for capital purchases.

The Storm Water Projects Fund - The City uses this fund to account for sales tax revenue designated for parks and storm water projects.

The Road and Bridge Fund - The City uses this fund to account for tax revenue designated for road improvements and maintenance.

The Public Safety Fund - The City uses this fund to account for tax revenue designated for public safety purposes.

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent or on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

Pension Trust Funds - Pension Trust Funds are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. The Pension Trust Funds account for the assets of Firemen's and Policemen's Pension Plan and the Pension Plan for Non-Uniformed Employees.

Escrow Fund - The City uses this fund to account for building permit escrows.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

D. **CAPITAL ASSETS**

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets (e.g., roads, sidewalks, traffic lights, street lights, sewer lines and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Infrastructure assets with an initial cost of \$50,000 or more are also capitalized and depreciated. Donated capital assets are recorded at estimated fair market 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 asset lives is not capitalized.

Capital assets of the City are depreciated using a straight-line method over the following estimated useful lives:

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	7 - 40 years
Machinery and equipment	3 - 25 years
Vehicles	2 - 12 years
Infrastructure	20 - 50 years

The government-wide financial statements do not reflect those infrastructure assets completed prior to January 1, 2004. From this point forward, new infrastructure will be added to the records while the retroactive historical value of the City's infrastructure assets will not be added.

E. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles 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 vary from the estimates that management uses.

F. **INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All interfund transactions are reported as transfers.

G. **COMPENSATED ABSENCES**

It is the City's policy that each year's accrued vacation should be taken within 12 months of the year in which it is earned. An employee may carry one week of vacation over into the second subsequent year provided written approval is obtained from the appropriate department head. Employees are compensated at their hourly rate for unused vacation upon retirement, resignation (if in good standing) or termination.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

G. **COMPENSATED ABSENCES** - continued.

Employees of the administrative, police and public works departments can earn and accumulate sick leave at the rate of 1 day (8 hours) per month of service to a maximum of 120 days (960 hours) for purposes of computing the payout. Members of the fire department can earn and accumulate sick leave at the rate of one-half day (12 hours) per month of service to a maximum of 120 days (1,440 hours) for purposes of computing the payout.

Employees who have been employed in excess of 10 years are eligible to receive compensation for a portion of their accumulated sick leave. Employees are compensated at their current hourly rate upon retirement, resignation (if in good standing) or termination. Accumulated vacation and sick leave is accrued when incurred in the government-wide financial statements.

H. **LONG-TERM LIABILITIES**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Initial-issue premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Debt is reported net of the unamortized portion of applicable premium or discount. Amortization of premiums or discounts is included in interest expense. Debt issuance costs are expensed when incurred.

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

I. **NET POSITION AND FUND EQUITY**

In government-wide financial statements net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets, represents capital assets less accumulated depreciation less outstanding principal on related debt. Net investment in capital assets, does not include the unspent proceeds of capital debt. Restricted net position represents net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments). All other net positions are considered unrestricted.

I. **NET POSITION AND FUND EQUITY**

When restricted sources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. The statement of net position reports \$14,272,100 of restricted net position, all of which is restricted by enabling legislation.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

I. **NET POSITION AND FUND EQUITY** - continued

Fund Balance Classification - The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable - Resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

Restricted - Resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

Assigned - Resources neither restricted nor committed for which a government has a stated intended use as established by the City Council or an official to which the City Council has delegated the authority to assign amounts for specific purposes.

Unassigned - Resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

The City would typically use restricted fund balances first, followed by committed resources and assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first.

J. **INVESTMENTS**

Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities. The Pension Trust Funds are also authorized to invest in corporate stocks and bonds as allowed by state law. Investments are carried at fair value. Investments with an original maturity of three months or less are considered to be cash equivalents.

K. **INVENTORY**

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the General Fund consists of gasoline held for consumption.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued

L. **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 reserve which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

2. **BUDGETS AND BUDGETARY ACCOUNTING**

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

1. The Finance Director submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is formally adopted.
4. The Finance Director is authorized to transfer budgeted amounts between departments within any fund. Budget revisions are required at the fund level and must be approved by the City Council.

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles.

3. **CASH AND TEMPORARY INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds except the special revenue funds as required. Each fund type’s portion of this pool is displayed on the combined balance sheet as “cash and cash equivalents” and “investments”. Excess funds are invested in certificates of deposits purchased through the CDARS® program which purchases certificates of deposits through various financial institutions up to the FDIC limit. The investments of the Police and Firemen’s Pension Fund and the Non-Uniformed Employees’ Retirement Fund are held separately from those of other City funds.

Credit Risk - The City will minimize credit risk (the risk of loss due to the failure of the security issuer or backer) by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio so that potential losses on individual securities will be minimized.

3. CASH AND TEMPORARY INVESTMENTS - continued

Custodial Credit Risk - For deposits and investments, the custodial credit risk is the risk that in the event of the failure of the counterparty, the City will be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the City's policy that all deposits and investments be insured, covered by collateral, or be investments backed by the full faith and credit of the United States Government. All securities, which serve as collateral against the deposits of a depository institution must be kept safe at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts. Investments of the City are generally insured, collateralized, or invested in securities of the United States or its agencies.

Interest Rate Risk - The City minimizes the risk that the market value of securities in the portfolio will fall due to changes in general interest rates 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 by investing operating funds primarily in shorter-term securities.

Concentration of Credit Risk - The City minimizes the risk of loss resulting from over concentration of assets in specific maturity, specific issuer, or specific class of securities. The City does not have a specific policy on concentrations but periodically reviews diversification.

At year-end, the carrying value of the City's deposits, including certificates of deposits, was \$22,528,388 and the bank balances were \$22,973,680. All of the bank balances were insured by federal depository insurance or collateralized by securities held by the City's agent in the City's name.

Fair Value of Investments - The City follows the requirements of GASB Statement No. 72 Fair Value Measurement and Applications, which provides guidance for determining a fair value measurement for financial reporting purposes.

As noted above, the City maintains its temporary pooled investments in nonmarketable certificates of deposit. The City's investments are subject to fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- **Level 1 input:** Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.
- **Level 2 input:** Quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are observable.
- **Level 3 input:** Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

3. **CASH AND TEMPORARY INVESTMENTS - continued**

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If the fair value of an asset or liability is measured using inputs from more than one level of fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. For the City, the following fair value techniques were utilized in measuring the fair value of its pension trust investments:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity mutual funds	\$ 26,683,631	\$ 26,683,631	\$ -	\$ -
Fixed income mutual funds	7,893,370	-	7,893,370	-
Hedge fund	3,461,183	-	3,461,183	-
Traded real estate fund	5,058,675	-	-	5,058,675
Money market fund	<u>650,316</u>	<u>-</u>	<u>650,316</u>	<u>-</u>
Total governmental activities	<u>\$ 43,747,175</u>	<u>\$ 26,683,631</u>	<u>\$ 12,004,869</u>	<u>\$ 5,058,675</u>

Traded Real Estate Separate Accounts are valued using the net asset value of underlying assets per share of the Plan's ownership interest in the partner's capital. (Level 3). The following is a reconciliation for the current years balance:

Balance - beginning of the year	\$ 4,764,271
Total gains/losses for the year	294,404
Purchases	-
Distributions	-
Transfers in/out of level 3	-
Balance - end of year	<u>\$ 5,058,675</u>

4. **PROPERTY TAX**

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 approximately November 1 and payable by December 31. As of January 1 of the following year, unpaid taxes are considered past due, the applicable property is subject to lien, and penalties and interest are assessed. Property taxes are shown net of an allowance for uncollectibles which is equal to the amounts not collected within 60 days of year-end. Property tax is collected by St. Louis County and remitted to the City. The assessed value at January 1, 2019, upon which the 2019 levy was based for real, personal and public utility property, was \$803,919,514. The City's tax rate was levied per \$100 of assessed valuation for the General Fund based on the following property classes:

Real estate:	
Residential	\$ 0.6170
Commercial	0.5660
Agricultural	0.000
Personal property	0.756

5. INTERFUND TRANSACTIONS

The Road and Bridge Fund, Storm Water Projects Fund and Public Safety Fund transfers funds annually to the General Fund to cover expenditures made in the General Fund that are able to be paid with these restricted resources, which includes some expenditures charged to Public Works. The Road and Bridge Fund also make transfers to the Capital Improvements Fund for road expenditures paid out of the Capital Improvements Fund. The following operating transfers were made during the fiscal year ending December 31, 2019:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 848,762	\$ -
Capital Improvements Fund	175,000	-
Road and Bridge Fund	-	506,109
Storm Water Projects Fund	-	142,653
Public Safety Fund	-	375,000

6. INTERFUND RECEIVABLES AND PAYABLES

A summary of interfund balances as of December 31, 2019 is as follows: Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Improvements Fund	\$ 1,333
Capital Projects Fund	General Fund	4,162
Escrow Fund	General Fund	500

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided of reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

7. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2019 is as follows:

	Balance, Beginning Of Year	Transfers and Additions	Transfer and Deletions	Balance, End Of Year
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 316,425	\$ -	\$ -	\$ 316,425
Construction in process	579,343	314,223	-	893,566
Total capital assets, not being depreciated	895,768	314,223	-	1,209,991
Capital assets, being depreciated:				
Buildings	11,243,268	-	-	11,243,268
Improvements	852,951	27,736	-	880,687
Machinery and equipment	2,704,518	198,963	(47,000)	2,856,481
Vehicles	2,948,508	936,160	(553,533)	3,331,135
Infrastructure	21,284,797	264,683	-	21,549,480
Total capital assets, being depreciated	39,034,042	1,427,542	(600,533)	39,861,051
Less: accumulated depreciation				
Buildings	(3,026,202)	(281,324)	-	(3,307,526)
Improvements	(499,346)	(37,097)	-	(536,443)
Machinery and equipment	(1,775,658)	(136,772)	42,000	(1,870,430)
Vehicles	(2,286,473)	(202,452)	544,724	(1,944,201)
Infrastructure	(6,568,620)	(992,904)	-	(7,561,524)
Total accumulated Depreciation	(14,156,299)	(1,650,549)	586,724	(15,220,124)
Total capital assets, being depreciated, net	24,877,743	(223,007)	(13,809)	24,640,927
Total governmental activities	\$ 25,773,511	\$ 91,216	\$ (13,809)	\$ 25,850,918

7. **CAPITAL ASSETS - continued**

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

Governmental activities:

General government	\$ 42,127
Police department	144,493
Fire department	307,681
Public works	1,144,121
Building department	<u>12,127</u>
Total depreciation governmental activities	<u>\$ 1,650,549</u>

8. **LONG-TERM LIABILITIES**

	<u>Balance, Beginning Of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, End Of Year</u>	<u>Due Within One Year</u>
Governmental activities:					
Accrued vacation	\$ 481,866	\$ 501,073	\$ (481,866)	\$ 501,073	\$ 501,073
Accrued sick leave	818,898	350,591	(312,040)	857,449	295,000
Lease purchase agreement	<u>2,888,397</u>	<u>-</u>	<u>(397,768)</u>	<u>2,490,629</u>	<u>402,104</u>
Subtotal					
Governmental Activities	<u>\$ 4,189,161</u>	<u>\$ 851,664</u>	<u>\$ (1,191,674)</u>	<u>\$ 3,849,151</u>	<u>\$ 1,198,177</u>

Funds to retire accrued vacation and sick leave as well as the other post-employment benefit obligation come from the General Fund. The Capital Improvement Fund has historically paid the lease payments on the firehouse.

Lease Purchase Agreement

On April 27, 2016, the City entered into a tax-exempt Lease Purchase Agreement in the amount of \$4,046,016. The proceeds were used to construct a new firehouse. Payment of principal is for varying amounts through 2026. Interest is due semi-annually with an interest rate of 2.18%. The lease includes a prepayment premium during the life of the lease, if the outstanding balance is paid through a refinancing.

The balance of the Lease Purchase Agreement outstanding at December 31, 2019 is \$2,490,629.

8. **LONG-TERM LIABILITIES - continued**

The annual debt service requirements to maturity on the Lease Purchase Agreement outstanding as of December 31, 2019 are as follows:

For the Year ending December 31	Principal	Interest	Total
2020	\$ 402,104	\$ 49,913	\$ 452,017
2021	406,487	41,099	447,586
2022	410,918	32,189	443,107
2023	415,397	23,183	438,580
2024	419,924	14,078	434,002
2025 - 2026	435,799	4,996	440,795
TOTAL	<u>\$ 2,490,629</u>	<u>\$ 165,458</u>	<u>\$ 2,656,087</u>

9. **EMPLOYEE RETIREMENT SYSTEMS**

The City administers two single-employer, defined benefit pension plans - the Firemen's and Policemen's Pension Plan (Uniformed Plan), which covers all of its sworn public safety employees and The Pension Plan for Non-Uniformed Employees (Non-Uniformed Plan), which covers all of the City's full-time general employees. Each plan's assets may be used only for the payment of benefits to the plan's members in accordance with the terms of the plan.

Membership of each plan consisted of the following at January 1, 2019, the date of the last actuarial valuation:

	<u>Uniformed Plan</u>	<u>Non-Uniformed Plan</u>
Retirees and beneficiaries currently receiving benefits	67	24
Terminated plan members entitled to but not yet receiving benefits	4	4
Active plan members	<u>58</u>	<u>29</u>
TOTAL	<u>129</u>	<u>57</u>

9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

THE CITY OF LADUE, MISSOURI FIREMEN’S AND POLICEMEN’S PENSION PLAN (UNIFORMED PLAN)

Plan Description

The City of Ladue, Missouri Firemen’s and Policemen’s Pension Plan (Uniformed Plan) covers all of the City’s sworn full-time police and fire employees. The Uniformed Plan is a single-employer, defined benefit pension plan which provides retirement and death benefits to plan members and their beneficiaries. Disability benefits are provided outside the plan through an insurance company. An annual cost of living adjustment is provided based on the annual change in the Consumer Price Index, but not more than 2% per year and not more than 20% over the life of the payments. The City Council has the authority to amend the benefit provisions of the Plan. The Pension Board is composed of the City Treasurer and Mayor, two city residents and four city employees. Neither plan issues separate stand-alone financial statements. The financial information is included as Pension Trust Funds in the City’s basic financial statements.

For employees hired before January 1, 2013, the normal retirement benefit is available to an eligible employee who has completed 20 or more years of service. The employee is then eligible to receive a monthly lifetime benefit equal to 2% of the employee’s career average salary multiplied by his first 20 years of service and 2.5% of the final average salary multiplied by years of service in excess of 20 years (up to a maximum of 10 years). An eligible employee who has completed at least 10 years but less than 20 years, upon reaching his normal retirement date, is entitled to receive a monthly lifetime benefit of 2% of his career average salary multiplied by years of service. For employees hired on or after January 1, 2013 the employee is eligible to receive a monthly lifetime benefit equal to 2% of the employee’s career average salary multiplied by years of service up to 30 years and 60% of final average salary for 30 years or more.

Contributions

Plan members are required to contribute 6.0% of their annual pay in 2014 and thereafter. It is the City’s policy to make contributions at the actuarially determined rate or higher. The City Council has the authority to amend contribution requirements. Administrative costs are financed through City contributions and investment earnings.

Investment Policy - The primary objective of the portfolio is to direct the investment and reinvestment of plan assets with the primary objective of maximizing long-term total return while protecting principal. It is the policy of the Board to pursue an investment strategy through diversification across a selection of asset classes. The pension plan’s investment policy maintains appropriate level of liquidity to meet cash flow needs, however short term positions generally should not exceed 5% of total portfolio. The following was the Board’s adopted asset allocation policy as of December 31, 2019:

Asset Class	Target Allocation	Maximum	Minimum
Equities	51%	62%	42%
Fixed-Income	22	27	17
Alternatives	27	37	0

9. **EMPLOYEE RETIREMENT SYSTEMS** - continued

Rate of Return - For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all period included in the measurement:

Inflation	2.5%
Salary increases	4.5%
Investment rate of return	7.0%
Cost of living adjustments	2%, 20% cap

Mortality Rates - Rates are based on the RP-2014 Healthy Annuitant Mortality, Projected Generationally from 2006 using MP-2018 Projection Scale. For disabled lives the rates are based on the RP-2014 Disabled Mortality Projected Generationally from 2006 using MP-2019 Projection Scale.

Assumed Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each 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. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
US Cash	2.00%	-0.2%
US Core Fixed Income	16.00	1.27
US Equity Market	40.00	4.62
Non-US Equity	20.00	6.21
Emerging Markets Equity	2.00	8.14
US REITS	12.00	4.91
Hedge Funds - Equity Hedge	8.00	8.00

9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contribution will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability - The employer's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019.

Changes in the Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balances - December 31, 2018	\$ 43,169,720	\$ 32,599,549	\$ 10,570,171
Changes for the year:			
Service cost	795,815	-	795,815
Interest	2,989,036	-	2,989,036
Differences between expected and actual experience	(1,270,080)	-	(1,270,080)
Assumptions changes/inputs	(111,881)		(111,881)
Contribution - employer	-	1,834,700	(1,834,700)
Contributions - employee	-	324,694	(324,694)
Net investment income	-	6,284,073	(6,284,073)
Benefit payments including refunds	(2,573,553)	(2,573,553)	-
Administrative expense	-	(18,100)	18,100
Balances - December 31, 2019	\$ <u>42,999,057</u>	\$ <u>38,451,363</u>	\$ <u>4,547,694</u>

9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the plan, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 48,228,503	\$ 42,999,057	\$ 38,635,930
Fiduciary net position	<u>38,451,363</u>	<u>38,451,363</u>	<u>38,451,363</u>
Net pension liability	<u>\$ 9,777,140</u>	<u>\$ 4,547,694</u>	<u>\$ 184,567</u>

THE CITY OF LADUE, MISSOURI PENSION PLAN FOR NON-UNIFORMED EMPLOYEES (NON-UNFORMED PLAN)

Plan Description

All of the City's full-time employees, excluding police and firemen, are eligible to participate in the City of Ladue, Missouri Pension Plan for Non-Uniformed Employees (Non-Uniformed Plan), a single-employer defined benefit retirement plan. The non-uniformed plan provides retirement, early retirement, and death benefits to plan members and their beneficiaries. Disability benefits are provided outside the plan through an insurance company. There is no cost of living adjustment provision. The City Council has the authority to amend benefit provisions of the plan. The Pension Board is composed of the City Treasurer, Mayor, two residents, and three city employees.

The normal retirement benefit is a monthly payment equal to 1.25% times the participant's final average monthly compensation times the participant's full years and completed months of credited service (but not in excess of thirty-five years of credited service). The normal retirement age is the date the employee turns 62. An early retirement benefit shall be calculated in the same manner as a normal retirement benefit but shall be based on the participant's average monthly compensation and credited service at his termination of employment, reduced for early commencement.

Contributions

Plan members are not required to make contributions. It is the City's policy to make contributions at the actuarially determined rate or higher. The City Council has the authority to amend contribution requirements. Administrative costs are financed through City contributions and investment earnings.

Investment Policy - The primary objective of the portfolio is to direct the investment and reinvestment of plan assets with the primary objective of maximizing long-term total return while protecting principal. It is the policy of the Board to pursue an investment strategy through diversification across a selection of asset classes. The pension plan's investment policy maintains appropriate level of liquidity to meet cash flow needs, however short term positions generally should not exceed 5% of total portfolio.

9. **EMPLOYEE RETIREMENT SYSTEMS** - continued

The following was the Board's adopted asset allocation policy as of December 31, 2019:

Asset Class	Target Allocation	Maximum	Minimum
Equities	51%	62%	42%
Fixed-Income	22	27	17
Alternatives	27	37	0

Rate of Return - For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 19.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions, applied to all period included in the measurement:

Inflation	2.5%
Salary increases	4.5%
Investment rate of return	7.0%
Cost of living adjustments	None

Mortality rates are based on the RP-2014 Healthy Annuitant Mortality, Projected Generationally from 2006 using MP-2019 Projection Scale. For disabled lives the rates are based on the RP-2014 Disabled Mortality Projected Generationally from 2006 using MP-2019 Projection Scale.

Assumed Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each 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. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
US Cash	2.00%	-0.2%
US Core Fixed Income	16.00	1.27
US Equity Market	40.00	4.62
Non-US Equity	20.00	6.21
Emerging Markets Equity	2.00	8.14
US REITS	12.00	4.91
Hedge Funds - Equity Hedge	8.00	8.00

9. **EMPLOYEE RETIREMENT SYSTEMS** - continued

Discount Rate - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contribution will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability - The employer's net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019.

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances - December 31, 2018	\$ 5,423,765	\$ 4,617,332	\$ 806,433
Changes for the year:			
Service cost	147,999	-	147,999
Interest	378,693	-	378,693
Change of benefit terms	877,127	-	877,127
Differences between expected and actual experience	(18,494)	-	(18,494)
Assumptions changes/inputs	(15,389)	-	(15,389)
Contributions - employer	-	218,921	(218,921)
Net investment income	-	880,178	(880,178)
Benefit payments including refunds	(329,322)	(329,322)	-
Administrative expense	-	(11,900)	11,900
Balances - December 31, 2019	\$ 6,464,379	\$ 5,375,209	\$ 1,089,170

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the plan, calculated using the discount rate of 7.0%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease	Current Rate	1% Increase
Total pension liability	\$ 7,361,797	\$ 6,464,379	\$ 5,720,846
Fiduciary net position	5,375,209	5,375,209	5,375,209
Net pension liability	\$ 1,986,588	\$ 1,089,170	\$ 345,637

9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

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

For the year ended December 31, 2019 the City recognized pension expense of \$2,368,260. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 68,520	\$ (1,558,970)
Changes in assumptions	930,522	(225,669)
Net differences between projected and actual earnings on pension plan investments	-	(1,394,374)
	<u>\$ 999,042</u>	<u>\$ (3,179,013)</u>

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

Year ended December 31:	
2020	\$ (358,480)
2021	(416,316)
2022	(107,516)
2023	(1,147,085)
2024	(150,574)
	<u>\$ (2,179,971)</u>

10. **DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City makes no contribution to the Plan.

Retirement Plan Advisors administers the City's Deferred Compensation Plan. With the adoption of Governmental Accounting Standards Board (GASB) No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans" the City's Deferred Compensation Plan is not included in the basic financial statements. The City's Plan does not meet the criteria for reporting the Deferred Compensation Plan in a fiduciary fund.

11. **OTHER POST EMPLOYMENT BENEFITS (OPEB)**

Plan Description and Provisions - The City of Ladue, Missouri has a single-employer other post employment plan that provides its retirees with access to healthcare (medical and dental insurance). Employees that retire in good standing and are covered by the City’s health plan receive a subsidy of \$10 per month for each year of service up to 20 years (with a maximum of \$200 per month) and an additional \$20 per month for each year of service from 20 to 30 years (with a total maximum of \$400 per month). Employees become eligible for other post employment benefits on the retirement or disability date to age 65. The Plan does not issue a separate stand-alone financial report. Benefits under the Plan are established by ordinance and may be changed by the passage of an ordinance. The City funds these benefits on a pay as you go basis.

At December 31, 2018, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	84
Retirees and beneficiaries currently receiving benefits	34
Total Plan Participants	<u>118</u>

Actuarial valuations are performed biennially as of December 31 for accounting purposes only. The actuarial assumptions include (a) 4.1% discount rate, (b) spousal coverage election at the calculation date was assumed to be 50% and 70% for medical and dental coverage, respectively, (c) disability for uniformed participants based on 1985 Pension Disability Table - Class 3, disabilities are assumed to be 75% duty related, disability for non-uniformed participant vary by age and gender (d) mortality based on the RP2014 Mortality for employees and healthy annuitants, with generational projection per Scale MP-2018, (e) employee participation rates of future retired employees are assumed to be 90% for medical coverage and 70% for dental coverage, participation rates of current retirees are assumed to be 100% of medical and dental coverage.

Net OPEB Liability

As of December 31, 2019, the measurement date, the City does not fund the OPEB Plan. The Plan fiduciary net position at December 31, 2019 therefore is \$-0-.

Changes in Net OPEB Liability

Changes in net OPEB Liability are as follows:

Net OPEB liability at beginning of year	<u>\$ 2,748,723</u>
Service cost	125,105
Interest cost	113,944
Changes in assumptions	271,476
Benefit payments (Employer Contributions)	<u>(191,345)</u>
Net changes	<u>319,180</u>
Net OPEB liability at end of year	<u>\$ 3,067,903</u>

11. **OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued**

Sensitivity of the Net OPEB Liability

Discount Rate Sensitivity - The following presents the net OPEB liability of the City, calculated using the discount rate of 2.74%, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.74%) or 1 percentage-point higher (3.74%) than the current rate:

	1% Decrease 1.74%	Current Discount Rate 2.74%	1% Increase 3.74%
Net OPEB liability	\$ 3,359,411	\$ 3,067,903	\$ 2,807,919

Healthcare Trend Rate Sensitivity - The following presents the net OPEB liability of the City, calculated using the healthcare trend rates, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 2,745,225	\$ 3,067,903	\$ 3,460,888

Other Post Employment Benefit Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$255,310. At December 31, 2019. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 271,774	\$ 95,971

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

Year ended December 31:	
2020	\$ 16,261
2021	16,261
2022	16,261
2023	16,261
2024	16,261
Thereafter	64,498

12. **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 claims without merit or involve amounts such that an unfavorable disposition would not have a material effect on the financial statements of the City.

13. **PENDING GOVERNMENTAL ACCOUNTING STANDARDS**

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

This report does not incorporate GASB Statement No. 87, *Leases*, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, and GASB Statement No. 94, *Public -Private and Public-Public Partnerships and Availability Payment Arrangements*. 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.

14. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report with is the date the financial statements were available to be issued.

During the first quarter of 2020, there was a global outbreak of a novel strain of the coronavirus (COVID-19), which resulted in a significant disruption to businesses and individuals throughout the world. This outbreak of COVID 19, could significantly effect the operations and future revenue of the City. At the time these financial statements were issued, the City is unable to fully quantify the current and future effects of COVID-19 on its financial position and future revenues and expenses.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LADUE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS - NON-UNIFORMED PLAN (in 1,000's)
FISCAL YEARS ENDED DECEMBER 31,

Total Pension Liability

	2019	2018	2017	2016	2015	2014
Service cost	\$ 148	\$ 116	\$ 122	\$ 108	\$ 77	\$ 98
Interest on total pension liability	379	366	361	342	332	321
Effect of plan changes	877	-	-	-	-	-
Effect of economic/demographic gains or losses	(19)	(5)	(93)	(93)	(43)	14
Effect of assumptions changes or inputs	(16)	(13)	(27)	166	-	-
Benefit payments, including refunds	(329)	(297)	(278)	(261)	(254)	(243)
Net change in total pension liability	1,040	167	85	262	112	190
Total pension liability - beginning of year	5,424	5,257	5,172	4,910	4,798	4,608
Total pension liability - end of year	<u>\$ 6,464</u>	<u>\$ 5,424</u>	<u>\$ 5,257</u>	<u>\$ 5,172</u>	<u>\$ 4,910</u>	<u>\$ 4,798</u>

Plan Fiduciary Net Position

Contributions - employer	\$ 219	\$ 200	\$ 199	\$ 183	\$ 154	\$ 177
Net investment income	880	(325)	655	300	(30)	263
Benefit payments, including refunds	(329)	(297)	(278)	(261)	(254)	(243)
Administrative expenses	(12)	-	(12)	-	(10)	(9)
Net change in plan fiduciary net position	758	(422)	564	222	(140)	188
Plan fiduciary net position - beginning of year	4,619	5,041	4,477	4,255	4,395	4,207
Plan fiduciary net position - end of year	<u>\$ 5,377</u>	<u>\$ 4,619</u>	<u>\$ 5,041</u>	<u>\$ 4,477</u>	<u>\$ 4,255</u>	<u>\$ 4,395</u>
Net pension liability - end of year	<u>\$ 1,089</u>	<u>\$ 805</u>	<u>\$ 216</u>	<u>\$ 695</u>	<u>\$ 655</u>	<u>\$ 403</u>
Plan fiduciary net position as a percentage of total pension liability	<u>83.2 %</u>	<u>85.2 %</u>	<u>95.9 %</u>	<u>86.6 %</u>	<u>86.7 %</u>	<u>91.6 %</u>
Covered employee payroll	<u>\$ 2,012</u>	<u>\$ 1,936</u>	<u>\$ 1,675</u>	<u>\$ 1,722</u>	<u>\$ 1,624</u>	<u>\$ 1,312</u>
Net pension liability as a percentage of covered payroll	<u>54.13 %</u>	<u>41.67 %</u>	<u>12.9 %</u>	<u>40.4 %</u>	<u>40.3 %</u>	<u>30.6 %</u>
Money weighted rate of return	<u>19.0</u>	<u>-6.4 %</u>	<u>14.6 %</u>	<u>7.0 %</u>	<u>-0.7 %</u>	<u>6.2 %</u>

Note: The above information is not available for years prior to the implementation of GASB 68.

CITY OF LADUE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND
RELATED RATIOS - UNIFORMED PLAN (in 1,000's)
FISCAL YEARS ENDED DECEMBER 31,

Total Pension Liability

	2019	2018	2017	2016	2015	2014
Service cost	\$ 796	\$ 744	\$ 739	\$ 655	\$ 652	\$ 651
Interest on total pension liability	2,989	2,906	2,846	2,671	2,584	2,517
Effect of plan changes	-	-	-	-	-	-
Effect of economic/demographic gains or losses	(1,270)	(477)	(74)	(243)	326	44
Effect of assumptions changes or inputs	(112)	516	(207)	1,704	-	-
Benefit payments, including refunds	(2,574)	(2,524)	(2,407)	(2,335)	(2,286)	(2,250)
Net change in total pension liability	(171)	1,165	897	2,452	1,276	962
Total pension liability - beginning of year	43,170	42,005	41,108	38,656	37,380	36,418
Total pension liability - end of year	<u>\$ 42,999</u>	<u>\$ 43,170</u>	<u>\$ 42,005</u>	<u>\$ 41,108</u>	<u>\$ 38,656</u>	<u>\$ 37,380</u>

Plan Fiduciary Net Position

Contributions - employer	\$ 1,835	\$ 1,861	\$ 1,787	\$ 1,611	\$ 1,561	\$ 2,600
Contributions - employee	324	311	312	294	290	281
Net investment income	6,284	(2,288)	4,572	2,070	(179)	1,762
Benefit payments, including refunds	(2,574)	(2,524)	(2,407)	(2,335)	(2,286)	(2,250)
Administrative expenses	(18)	-	(19)	-	(14)	(12)
Net change in plan fiduciary net position	5,851	(2,640)	4,245	1,640	(628)	2,381
Plan fiduciary net position - beginning of year	32,600	35,240	30,995	29,355	29,983	27,602
Plan fiduciary net position - end of year	<u>\$ 38,451</u>	<u>\$ 32,600</u>	<u>\$ 35,240</u>	<u>\$ 30,995</u>	<u>\$ 29,355</u>	<u>\$ 29,983</u>

Net pension liability - end of year	<u>\$ 4,548</u>	<u>\$ 10,570</u>	<u>\$ 6,765</u>	<u>\$ 10,113</u>	<u>\$ 9,301</u>	<u>\$ 7,397</u>
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Plan fiduciary net position as a percentage of total pension liability	<u>89.4%</u>	<u>75.5%</u>	<u>83.9%</u>	<u>75.4%</u>	<u>75.9%</u>	<u>80.2%</u>
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Covered employee payroll	<u>\$ 5,434</u>	<u>\$ 5,296</u>	<u>\$ 4,886</u>	<u>\$ 4,825</u>	<u>\$ 4,631</u>	<u>\$ 4,535</u>
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Net pension liability as a percentage of covered payroll	<u>83.69 %</u>	<u>199.6 %</u>	<u>138.5 %</u>	<u>209.6 %</u>	<u>200.8 %</u>	<u>163.1 %</u>
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Money weighted rate of return	<u>19.0 %</u>	<u>(6.4) %</u>	<u>14.5 %</u>	<u>7.0 %</u>	<u>(0.6) %</u>	<u>6.1 %</u>
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Note: The above information is not available for years prior to the implementation of GASB 68.

CITY OF LADUE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS

NON-UNIFORM PLAN

Year Ended June 30,	Actuarially Determined Contribution	Employer Actual Contribution	Contribution Deficiency (Excess)	Percentage Contributed	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
2010	\$ 161,199	\$ 261,199	\$ (100,000)	162	1,802,804	14.49 %
2011	139,170	139,170	-	100	1,717,264	8.10
2012	200,550	200,550	-	100	1,638,495	12.24
2013	189,461	189,461	-	100	1,490,353	12.71
2014	176,589	176,589	-	100	1,507,473	11.71
2015	151,198	153,600	(2,402)	102	1,312,240	11.71
2016	182,786	182,786	-	100	1,624,117	11.25
2017	199,092	199,092	-	100	1,722,393	11.56
2018	176,577	200,026	(23,449)	113	1,674,588	11.94
2019	218,921	218,921	-	100	1,935,507	11.31

UNIFORM PLAN

Year Ended June 30,	Actuarially Determined Contribution	Employer Actual Contribution	Contribution Deficiency (Excess)	Percentage Contributed	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
2010	\$ 1,092,786	\$ 1,692,786	\$ (600,000)	155	4,447,537	38.06 %
2011	1,100,673	1,100,673	-	100	4,246,707	25.92
2012	1,182,728	1,182,728	-	100	4,107,358	28.80
2013	1,616,761	2,616,761	(1,000,000)	162	3,939,359	66.43
2014	1,599,667	2,599,667	(1,000,000)	163	4,560,524	57.00
2015	1,560,988	1,560,988	-	100	4,535,467	34.42
2016	1,610,554	1,610,554	-	100	4,630,901	34.78
2017	1,787,046	1,787,046	-	100	4,825,405	37.03
2018	1,712,937	1,861,396	(148,459)	109	4,885,716	38.10
2019	1,834,700	1,834,700	-	100	5,295,617	34.65

Notes to Schedule

Valuation Date: January 1, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar layered
Remaining amortization period	Layered 20 year periods
Asset valuation method	5 year smoothed market
Inflation	2.5%
Salary increases	4.5%
Investment return	7.0%

Retirement age:

Non-Uniform Plan Early retirement - 55 years of age and 10 years of credited service
Normal retirement - 62 years of age

Uniform Plan: Early retirement - 50 years of age and 10 years of credited service
Normal retirement - 55 years of age with 10 years of service

Mortality RP-2014 Healthy Annuitant Mortality Projected Generationally from 2006 using MP-2017
Projection Scale. RP-2014 Disabled Mortality Projected Generationally from 2006 using
MP-2019 Projection Scale for disabled lives.

Note: Assumptions apply to both the Uniform Plan and Non-Uniform Plan unless otherwise noted.

CITY OF LADUE, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFIT LIABILITY
 AND RELATED RATIOS AS OF DECEMBER 31,

Total Net Other Post-Employment Benefit Liability

	2019	2018
Service cost	\$ 125	\$ 128
Interest	114	98
Changes in benefit terms	-	-
Difference between expected and actual experience	-	-
Changes in assumptions	271	(123)
Benefit payments, including refunds	(191)	(166)
Net change in total Other Post-Employment Benefit liability	319	(63)
Total Other Post-Employment Benefit liability - beginning of year	2,749	2,812
Total Other Post-Employment Benefit liability - end of year	\$ 3,068	\$ 2,749
Covered employee payroll	\$ 7,446	\$ 7,232
Total Other Post-Employment Benefit liability as a percentage of covered employee payroll	41.2%	38.0%

Notes:

Valuation Date: December 31, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Health Care Inflation	7.9% initially, grading down to 3.8%
Salary increases	4.5% per annum
Discount rate	2.74%
Retirement age	Non-uniform Employees: Age 62-65 Uniformed Employees: Age 62-65
Mortality	RP-2014 Mortality for Employees and Healthy Annuitants, with generational projections from 2006 per Scale MP-2018
Other information:	There were no benefit changes during the year.

The above information is not available for years prior to the implementation of GASB 75. Also, there are no assets in a trust compliant with GASB codification P22.101 or P52.101.

CITY OF LADUE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS - OPEB

Year Ended June 30,	Actuarially Determined Contribution	Employer Actual Contribution	Contribution Deficiency (Excess)	Percentage Contributed	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
2018	\$ -	\$ 166,493	\$ 166,493	n/a	6,560,304	2.54 %
2019	-	191,345	191,345	n/a	7,231,124	2.65

Note: The above information is not available for years prior to the implementation of GASB 75.

CITY OF LADUE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
OPERATING REVENUE				
Taxes	\$ 10,133,616	\$ 10,133,616	\$ 10,220,070	\$ 86,454
Intergovernmental	79,080	79,080	78,340	(740)
Licenses and permits	855,000	855,000	774,972	(80,028)
Fines and court costs	125,400	125,400	103,673	(21,727)
Charges for service	444,045	444,045	469,889	25,844
Miscellaneous	254,300	254,300	318,916	64,616
TOTAL REVENUE	<u>11,891,441</u>	<u>11,891,441</u>	<u>11,965,860</u>	<u>74,419</u>
EXPENDITURES				
Current:				
General government	903,444	903,444	681,292	222,152
Police department	4,915,209	4,915,209	4,722,761	192,448
Fire department	5,402,861	5,402,861	5,375,580	27,281
Public works	1,618,055	1,618,055	1,555,528	62,527
Building	738,340	738,340	612,242	126,098
Finance	318,620	318,620	294,459	24,161
Court	116,366	116,366	112,725	3,641
TOTAL EXPENDITURES	<u>14,012,895</u>	<u>14,012,895</u>	<u>13,354,587</u>	<u>658,308</u>
EXCESS OF REVENUES OVER (UNIDER) EXPENDITURES	(2,121,454)	(2,121,454)	(1,388,727)	732,727
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	848,762	848,762	848,762	-
CHANGE IN FUND BALANCE	(1,272,692)	(1,272,692)	(539,965)	<u>\$ 732,727</u>
FUND BALANCE - BEGINNING OF YEAR	<u>12,266,196</u>	<u>12,266,196</u>	<u>12,266,196</u>	
FUND BALANCE - END OF YEAR	<u>\$ 10,993,504</u>	<u>\$ 10,993,504</u>	<u>\$ 11,726,231</u>	

CITY OF LADUE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
OPERATING REVENUE				
Intergovernmental	\$ 902,132	\$ 902,132	\$ 964,487	\$ 62,355
Licenses and permits	36,000	36,000	38,728	2,728
Miscellaneous income	2,563	2,563	20,622	18,059
TOTAL REVENUE	<u>940,695</u>	<u>940,695</u>	<u>1,023,837</u>	<u>83,142</u>
EXPENDITURES				
Current:				
Public works	401,979	401,979	209,656	192,323
Capital outlay	775,777	775,777	591,570	184,207
TOTAL EXPENDITURES	<u>1,177,756</u>	<u>1,177,756</u>	<u>801,226</u>	<u>376,530</u>
EXCESS OF REVENUES OVER (UNIDER) EXPENDITURES	(237,061)	(237,061)	222,611	459,672
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	(500,000)	(500,000)	(506,109)	(6,109)
CHANGE IN FUND BALANCE	(737,061)	(737,061)	(283,498)	<u>\$ 453,563</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,737,087</u>	<u>2,737,087</u>	<u>2,737,087</u>	
FUND BALANCE - END OF YEAR	<u>\$ 2,000,026</u>	<u>\$ 2,000,026</u>	<u>\$ 2,453,589</u>	

CITY OF LADUE, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUE				
Taxes	\$ 928,725	\$ 928,725	\$ 949,070	\$ 20,345
Miscellaneous	22,220	22,220	62,328	40,108
TOTAL REVENUE	<u>950,945</u>	<u>950,945</u>	<u>1,011,398</u>	<u>60,453</u>
EXPENDITURES				
Capital outlay	1,817,103	1,817,103	1,349,884	467,219
Debt service	456,400	456,400	456,399	1
TOTAL EXPENDITURES	<u>2,273,503</u>	<u>2,273,503</u>	<u>1,806,283</u>	<u>467,220</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,322,558)	(1,322,558)	(794,885)	527,673
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
CHANGE IN FUND BALANCE	(1,147,558)	(1,147,558)	(619,885)	<u>\$ 527,673</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,992,181</u>	<u>1,992,181</u>	<u>1,992,181</u>	
FUND BALANCE - END OF YEAR	<u>\$ 844,623</u>	<u>\$ 844,623</u>	<u>\$ 1,372,296</u>	

CITY OF LADUE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STORM WATER PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUE				
Taxes	\$ 1,120,551	\$ 1,120,551	\$ 1,116,552	\$ (3,999)
Miscellaneous	103,530	103,530	195,927	92,397
TOTAL REVENUE	<u>1,224,081</u>	<u>1,224,081</u>	<u>1,312,479</u>	<u>88,398</u>
EXPENDITURES				
Current:				
Public works	18,000	18,000	-	18,000
Capital outlay	1,521,180	1,521,180	289,652	1,231,528
TOTAL EXPENDITURES	<u>1,539,180</u>	<u>1,539,180</u>	<u>289,652</u>	<u>1,249,528</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(315,099)	(315,099)	1,022,827	1,337,926
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	(142,653)	(142,653)	(142,653)	-
CHANGE IN FUND BALANCE	(457,752)	(457,752)	880,174	<u>\$ 1,337,926</u>
FUND BALANCE - BEGINNING OF YEAR	<u>9,170,418</u>	<u>9,170,418</u>	<u>9,170,418</u>	
FUND BALANCE - END OF YEAR	<u>\$ 8,712,666</u>	<u>\$ 8,712,666</u>	<u>\$ 10,050,592</u>	

CITY OF LADUE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
OPERATING REVENUE				
Taxes	\$ 435,000	\$ 435,000	\$ 473,455	\$ 38,455
Miscellaneous	3,000	3,000	2,721	(279)
TOTAL REVENUE	<u>438,000</u>	<u>438,000</u>	<u>476,176</u>	<u>38,176</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	<u>(375,000)</u>	<u>(375,000)</u>	<u>(375,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	63,000	63,000	101,176	<u>\$ 38,176</u>
FUND BALANCE - BEGINNING OF YEAR	<u>294,447</u>	<u>294,447</u>	<u>294,447</u>	
FUND BALANCE - END OF YEAR	<u>\$ 357,447</u>	<u>\$ 357,447</u>	<u>\$ 395,623</u>	

SUPPLEMENTAL INFORMATION

CITY OF LADUE, MISSOURI
SCHEDULE OF GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>PUBLIC WORKS</u>	<u>BUILDING</u>	<u>FINANCE</u>	<u>COURT</u>	<u>TOTAL</u>
2010	\$ 1,130,866	\$ 8,060,100	\$ 1,629,802	\$ -	\$ -	\$ -	\$ 10,820,768
2011	1,285,937	7,498,103	1,600,431	-	-	-	10,384,471
2012	1,262,260	8,015,230	1,708,772	-	-	-	10,986,262
2013	1,086,831	9,371,703	1,417,696	-	-	-	11,876,230
2014	1,172,673	9,641,593	1,451,420	-	-	-	12,265,686
2015	1,240,593	8,913,896	1,400,803	-	-	-	11,555,292
2016	945,921	9,069,012	1,429,738	406,605	-	-	11,851,276
2017	961,272	9,616,988	1,458,956	453,914	-	-	12,491,130
2018	717,076	9,798,874	1,472,324	512,824	267,348	-	12,768,446
2019	681,292	10,098,341	1,555,528	612,242	294,459	112,725	13,354,587

Note: Excludes capital expenditures

Building, Finance and Court were previously included in general government before being established as separate functions.

CITY OF LADUE, MISSOURI
SCHEDULE OF GENERAL FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES	LICENSES AND PERMITS	CHARGES FOR SERVICES	FINES AND FORFEITS	MISCELLANEOUS	TOTAL
2010	\$ 9,251,296	\$ 451,188	\$ 395,724	\$ 777,044	\$ 115,070	\$ 10,990,322
2011	9,569,863	466,980	411,831	621,400	156,709	11,226,783
2012	10,115,868	708,296	363,379	445,275	226,763	11,859,581
2013	10,007,153	581,935	412,083	522,134	252,270	11,775,575
2014	10,430,056	581,425	389,850	589,480	237,494	12,228,305
2015	10,288,930	720,928	412,879	358,412	209,760	11,990,909
2016	10,061,249	1,210,066	474,676	173,379	151,505	12,070,875
2017	10,200,775	1,020,357	473,877	205,753	219,420	12,120,182
2018	10,083,193	838,453	447,150	121,503	598,137	12,088,436
2019	10,298,410	774,972	469,889	103,673	318,916	11,965,860

CITY OF LADUE, MISSOURI
SCHEDULE OF PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>TOTAL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS THROUGH FEB 28</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>	<u>OUTSTANDING TAXES AS OF DEC 31</u>	<u>PERCENT OF OUTSTANDING TAXES TO TAX LEVY</u>
2010	\$ 4,323,146	\$ 2,466,867	57.1	\$ 2,224,421	\$ 4,691,288	108.5	\$ 1,898,822 *	43.9 %
2011	4,351,285	2,291,258	52.7	1,853,385	4,144,643	95.3	2,124,234 *	48.8
2012	4,370,876	2,503,878	57.3	1,708,195	4,212,073	96.4	1,924,155 *	44.0
2013	4,385,108	1,889,946	43.1	2,161,113	4,051,059	92.4	2,495,162 *	56.9
2014	4,156,040	2,131,079	51.3	1,675,370	3,806,449	91.6	1,994,251 *	48.0
2015	4,251,470	2,018,632	47.5	1,691,721	3,710,353	87.3	2,190,159 *	51.5
2016	4,246,695	2,089,943	49.2	1,694,132	3,784,075	89.1	2,109,540 *	49.7
2017	4,251,470	1,795,343	42.2	1,719,740	3,515,083	82.7	2,549,478 *	60.0
2018	4,449,149	1,907,827	42.9	1,729,190	3,637,017	81.7	2,521,582 *	56.7
2019	4,566,666	1,952,760	42.8	1,937,418	3,890,178	85.2	2,576,711 *	56.4

* These figures include amounts received by December 31. No January receipts are reflected in these figures.

CITY OF LADUE, MISSOURI
MISCELLANEOUS STATISTICAL DATA
AS OF DECEMBER 31, 2019

Date of Incorporation	December 1, 1936
Form of Government	Mayor - Board of Aldermen
Area	8.55 square miles
Population (2010 census)	8,521
Homes (2010 census)	3,377
Miles of Streets	
Public	23
Private	58
Fire Protection:	
Number of:	
Stations	2
Firemen and officers	32
Police Protection:	
Number of:	
Stations	1
Policemen and officers	26
Communications personnel	6
Public Works	
Number of:	
Buildings	3
Personnel and officers	13
Education:	
Number of:	
Elementary - public	2
Elementary - private	3
Middle school - public	1
High school - public	1
High School - private	2
Special education	1
Churches	6
Building permits issued for the year ended December 31, 2018	1,368
Recreation and Culture:	
Number of:	
Parks	2 with approximately 66.7 acres
Libraries	1
Private country clubs	6
Employees	88 Full-Time, 4 Part-Time