

CITY OF LADUE, MISSOURI

***FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021***

CITY OF LADUE, MISSOURI

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INDEPENDENT AUDITORS' REPORT



The Honorable Mayor and Members of the City Council
CITY OF LADUE, MISSOURI

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ladue, Missouri, as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ladue, Missouri, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Ladue, Missouri, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibility of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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


Required Supplementary Information

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

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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in cursive script that reads "Botz Deal & Company". The signature is written in black ink and is positioned above a horizontal line.

St. Charles, Missouri

June 22, 2022

**CITY OF LADUE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021**

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, 2021. 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 increased 5.4% from \$38.5 million at December 31, 2020, to \$40.6 million December 31, 2021. Net position was comprised of \$24,844,101 net investment in capital assets, \$12,258,503 restricted for capital improvements, \$491,740 restricted for public safety and \$2,989,404 unrestricted.
- Funding for the City's governmental activities came from direct charges for services of \$1.9 million, capital grants and contributions of \$1.0 million, tax revenues provided \$13.1 million and investment income and other miscellaneous revenues provided approximately \$221,000 additional income.
- At December 31, 2021, the City's governmental funds reported a combined ending fund balance of \$22,793,302, and decrease of \$2,100,210.
- The General Fund recorded a deficit (revenues less expenditures and other financing sources and uses) of \$685,546 versus an anticipated budget deficit of \$2,044,540. This \$1,358,994 favorable variance was led by total expenditures that were below budget by \$617,476 (4.2%) combined with revenues that were over budget by \$741,518 (6.2%). Total transfers were equal to budgeted amounts of \$876,393. The fund balance for the General Fund decreased from \$10,728,605 at the beginning of the year to \$10,043,059 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 \$40,583,748 as of December 31, 2021. 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

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Current and other assets	\$ 26,082,047	\$ 26,689,207	\$ (607,160)
Capital assets	26,526,139	25,363,791	1,162,348
Net pension asset / (liability)	2,722,168	(2,434,367)	5,156,535
Total assets	<u>55,330,354</u>	<u>49,618,631</u>	<u>5,711,723</u>
Deferred outflows	<u>2,689,656</u>	<u>1,690,002</u>	<u>999,654</u>
Current liabilities	2,359,721	876,700	1,483,021
Long-term liabilities	3,086,086	3,460,629	(374,543)
OPEB liability	3,820,267	3,658,364	161,903
Total liabilities	<u>9,266,074</u>	<u>7,995,693</u>	<u>1,270,381</u>
Deferred inflows	<u>8,170,188</u>	<u>4,814,684</u>	<u>3,355,504</u>
Net position:			
Net investment in capital assets	24,844,101	23,275,266	1,568,835
Restricted	12,750,243	14,164,907	(1,414,664)
Unrestricted	2,989,404	1,057,903	1,931,501
Total net position	<u>\$ 40,583,748</u>	<u>\$ 38,498,076</u>	<u>\$ 2,085,672</u>

Governmental activities increased the City’s net position by \$2,085,672. The key elements of this increase are as follows:

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Revenues:			
Program revenues:			
Charges for service	\$ 1,883,551	\$ 1,461,355	\$ 422,196
Capital and operating grants	1,031,214	1,561,084	(529,870)
General revenues:			
Taxes	13,072,545	12,113,620	958,925
Interest income	43,462	214,465	(171,003)
Miscellaneous	177,738	164,693	13,045
Total revenues	<u>16,208,510</u>	<u>15,515,217</u>	<u>693,293</u>
Expenses:			
General government	1,208,888	806,233	402,655
Police department	3,909,419	4,249,649	(340,230)
Fire department	4,774,287	5,243,150	(468,863)
Public works	3,201,078	3,602,348	(401,270)
Building	577,827	689,833	(112,006)
Finance	292,194	291,445	749
Court	121,000	114,623	6,377
Interest and fiscal charges	38,145	46,991	(8,846)
Total expenses	<u>14,122,838</u>	<u>15,044,272</u>	<u>(921,434)</u>
Increase (decrease) in net position	2,085,672	470,945	1,614,727
Net position, beginning of year	<u>38,498,076</u>	<u>38,027,131</u>	<u>470,945</u>
Net position, end of year	<u>\$ 40,583,748</u>	<u>\$ 38,498,076</u>	<u>\$ 2,085,672</u>

Total 2021 revenues shown in Table 2 were \$16,208,510 compared with total revenues of \$15,515,217 in 2020. The increase in total revenues of \$693,293 represents an overall increase in revenue of 2.6%. This increase in government-wide revenue is primarily due to:

- An increase of \$958,925 in tax revenues due to an increase in sales and utility tax collections. Sales taxes increased largely because, as County-wide restrictions lessened and public activity increased, following restrictions on limited public contact in 2020 in response to the global pandemic. An increase in utility taxes represented the majority of the increase, as a result of receiving a settlement of \$610,000 during 2021 for taxes initially paid under protest.
- A decrease of \$529,870 in capital and operating grants due to timing of COVID relief grants awarded. \$586,000 was received in CARES Relief Act funding, in 2020.

Total government-wide expenses decreased \$921,434 (6.1%) from \$15,044,272 in 2020 to \$14,122,838 in 2021 primarily due to a decrease in the pension expense and fewer road repair projects in 2021.

Pension expense is comprised of a number of estimates including an expected rate of return on investments. The difference in expected and actual investment returns are part of the deferred inflows and outflows which are amortized over various periods as part of the pension expense. The exceptional market performance in 2021 exceeded pension valuation expectations and was the primary reason for the \$3,355,504 increase in deferred outflows and decrease in pension expense.

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

	2021	2020	Increase (Decrease)	Percentage Change
Taxes	\$ 13,087,292	\$ 11,909,525	\$ 1,177,767	9.9 %
Intergovernmental	1,009,631	1,021,017	(11,386)	(1.1)
Licenses and permits	1,185,527	915,602	269,925	29.5
Fines and court costs	120,903	104,117	16,786	16.1
Charges for service	555,299	448,108	107,191	23.9
Grant income	21,583	587,585	(566,002)	(96.3)
Investment income	43,462	214,465	(171,003)	(79.7)
Miscellaneous	177,738	191,373	(13,635)	(7.1)
Total General Fund Revenues	<u>\$ 16,201,435</u>	<u>\$ 15,391,792</u>	<u>\$ 809,643</u>	5.3 %

Total revenues as a whole increased 5.3% primarily due to an increase in sales, utility, fuel and other consumption tax collections. Sales taxes increased largely as a result of increased business and sales, as County-wide restrictions lessened and public activity increased, following restrictions on public contact experienced in 2020 in response to the global pandemic. Utility taxes represented the majority of the increase, as a result of receiving a settlement of \$610,000 for taxes paid under protest. Decrease in grant income is timing of COVID relief awards.

THE CITY'S FUNDS

At the close of the City's fiscal year on December 31, 2021, the governmental funds of the City reported a combined fund balance of \$22,793,302. This ending balance reflects a decrease in total fund balances of \$2,100,210 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 2021 compared to the budget. The General Fund recorded a deficit (revenues less expenditures and other financing sources and uses) of \$685,546 versus an anticipated budget deficit of \$2,044,540. This \$1,358,994 favorable variance was led by total expenditures that were below budget by \$617,476 (4.2%) combined with revenues that were over budget by \$741,518 (6.2%). Total transfers were equal to budgeted amounts of \$876,393. The fund balance for the General Fund decreased from \$10,728,605 at the beginning of the year to \$10,043,059 at the end of the year.

Revenue exceeded budgeted amounts by 6.2%, largely as a result of actual tax collections exceeding budgeted expectations by 4.0%. Licenses and permits exceed the budget by \$358,890, charges for service exceeded budget by \$54,200, fines and court costs exceeded budget by \$20,903, and grant income exceeded budgeted amounts by \$6,983. The budgeted revenues fell short for intergovernmental by \$49,499 and miscellaneous by \$52,275.

Expenditures were under budget by 4.2%, as a result of job vacancies and reduced personnel costs. General government expenditures exceeded budgeted amounts by \$28,955 or 3.2%. All other 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, 2021 reports).

Road and Bridge Fund

The Road and Bridge Fund recorded a deficit of \$164,746 versus an anticipated budget deficit of \$697,001. This \$532,255 favorable variance was led by total expenditures that were below budget by \$602,481 (46.9%) combined with revenues that were under budget by \$70,226 (6.5%). 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 \$2,167,297 at the beginning of the year to \$2,002,551 at the end of the year.

Capital Improvements Fund

The Capital Improvements Fund recorded a deficit of \$29,652 versus an anticipated budget deficit of \$684,292. This \$654,640 favorable variance was led by expenditures that were below budget by \$628,736 (34.5%), revenues that were over budget by \$25,904 (2.8%). Total transfers were equal to budgeted amounts of \$200,000. The fund balance for the Capital Improvements Fund decreased from \$1, 215,579 at the beginning of the year to \$1,185,927 at the end of the year.

Storm Water Projects Fund

The Storm Water Projects Fund recorded a deficit of \$1,295,712 versus an anticipated budget deficit of \$5,226,831. This \$3,931,119 favorable variance was led by total expenditures that were below budget by \$4,167,979 (65%) combined with revenues that were under budget by \$236,860 (17.5%). These variances are the result of the timing of project expenditures. The fund balance for the Storm Water Fund decreased from \$10,365,737 at the beginning of the year to \$9,070,025 at the end of the year.

Public Safety Fund

The Public Safety Fund recorded a surplus of \$75,446 versus an anticipated budget surplus of \$9,915. This \$65,531 favorable variance was mainly the result of actual tax collections, exceeding budgeted expectations. The fund balance for the Public Safety Fund grew from \$416,294 at the beginning of the year to \$491,740 at the end of the year.

FIDUCIARY FUNDS

The Non-Uniform Retirement Fund completed the year with assets of \$7,000,607. The City contributed \$297,695 (actuarial required) to the plan during the year. The fund experienced an increase in net position of \$940,377 over the year due to a positive net investment return of \$978,968. The net position for the Non-Uniform Retirement Fund increased from \$6,060,230 at the beginning of the year to \$7,000,607 at the end of the year.

The Uniform Pension Fund completed the year with assets of \$48,340,992. The City contributed \$1,715,033 (actuarial required) and employees contributed \$323,985 (6% of salary) to the plan during the year. The fund experienced an increase in net position of \$6,049,370 over the year due to a positive net investment return of \$6,714,770. The net position for the Uniform Retirement Fund increased from \$42,291,622 at the beginning of the year to \$48,340,992 at the end of the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021, the City had \$44,401,031 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 \$2,409,985 or 5.7% increase over the prior fiscal year.

Table 4

	2021	2020	Increase (Decrease)
Land	\$ 316,425	\$ 316,425	\$ -
Construction in progress	3,143,732	1,093,444	2,050,288
Buildings	11,431,228	11,431,228	-
Improvements	1,035,687	880,687	155,000
Machinery and equipment	2,895,778	2,979,514	(83,736)
Vehicles	3,619,201	3,522,308	96,893
Infrastructure	21,958,980	21,767,440	191,540
Total	<u>\$ 44,401,031</u>	<u>\$ 41,991,046</u>	<u>\$ 2,409,985</u>

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

- Road and other transportation improvement projects \$2,215,000
- ADA improvement project – Clayton Road 231,000
- Technology and security improvements 225,000
- 2-Ton freightliner truck, Public Works 122,364
- (3) Public Works vehicles 96,348
- (2) Police vehicles 52,005

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In 2022, the City of Ladue is estimating an operating budget surplus of \$489,107 in the General Fund. In the interest of generating a conservative budget, key revenue streams are forecasted to be slightly higher than 2021 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 2022 revenues are budgeted at \$14,466,654 (excludes \$656,393 in Road and Bridge and Storm Water inter-fund transfers and a \$420,000 Public Safety inter-fund transfer) and expenditures are budgeted at \$15,053,940. These budget expenditure levels represent an overall 1.7% increase from the 2021 budget. Other notable General Fund expenditures include an 8.5% increase for property, liability, and vehicle insurance and a 4.2% increase in workers comp insurance costs. The City is budgeted to have an ending fund reserve balance of \$10,898,966 in the General Fund.

In 2022, the city plans to complete Phase 4 ADA improvements which will be constructed on Clayton Road from Louwen to McKnight. These improvements are funded through the Road and Bridge Fund.

The City will continue the implementation of the Storm Water Master Plan which initially included five major projects adopted as part of the 2017 Stormwater Implementation plan which is funded from the Stormwater Fund; one project was constructed in 2020 (S. Tealbrook Stormwater Project), one project was placed on inactive status in 2020 due to lack of neighbor support (Babler Lane Stormwater Project), and three of which remain to be constructed. Construction began in calendar year 2021 for two projects: Robin Hill/McKnight Lane Bank Stabilization improvements and Willow Hill Stormwater Improvements. These two projects are expected to be completed in 2022. The Deerfield/Wakefield Stormwater project design phase will continue in 2022. ROW acquisition will occur in 2022 The small stormwater grant program continues and awards residents up to \$25,000 to solve stormwater problems on their private property through a 50% cost share program. \$100,000 is budgeted annually for this program.

Regarding pavement projects, the City plans to continue with the annual micro surfacing contract which is funded through the Road and Bridge Fund. These roads include Clayton Road, Litzsinger Road and McKnight: I-64 – Litzsinger and Clayton to Ladue

There is one Federally Funded project underway in the City of Ladue.

- Dielman Road Improvements continue. This project is 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. Construction is scheduled for 2023.

Total revenues of \$1,149,098 and expenditures of \$1,494,183 (excludes \$487,613 inter-fund transfer to General Fund) are projected in the Road and Bridge Fund leading to an expected deficit of \$832,748 and an ending fund reserve balance of \$1,076,755.

Total revenues of \$2,136,256 and expenditures of \$7,130,744 (excludes \$168,780 inter-fund transfer to the General Fund) are projected in the Storm Water Fund leading to a budgeted deficit of \$5,163,268 and an ending fund reserve balance of \$4,345,322. 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 2022 Capital Improvements Fund budget includes revenues of \$1,300,500 and an expenditure budget of \$1,899,573 (which includes \$447,586 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 \$599,073 decrease to net income and an estimated ending fund reserve balance of approximately \$519,867.

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 Scott Kroenung, Director of Finance of the City of Ladue, Missouri.

CITY OF LADUE, MISSOURI
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 11,901,399
Investments	10,288,572
Taxes receivable:	
Property	2,252,641
Other (net of allowance for doubtful accounts of \$14,571)	1,579,982
Inventory	38,760
Prepaid insurance	20,693
Capital assets - net	
Nondepreciable	3,460,157
Depreciable	23,065,982
Net Pension Asset	2,722,168
TOTAL ASSETS	<u><u>55,330,354</u></u>
 DEFERRED OUTFLOWS	
Deferred outflow related to pension	1,854,432
Deferred inflows related to OPEB	835,224
DEFERRED OUTFLOWS	<u><u>2,689,656</u></u>
 LIABILITIES	
Accounts payable	1,291,529
Accrued wages and payroll items	96,403
Other liabilities	7,265
Interest payable	12,223
Due to Agency fund	14
Unearned revenue - alarm fees	82,995
Unearned revenue - grants	869,292
Noncurrent liabilities:	
Due in one year	1,225,366
Due in more than one year	1,860,720
OPEB liability	3,820,267
TOTAL LIABILITIES	<u><u>9,266,074</u></u>
 DEFERRED INFLOWS	
Deferred inflow related to pension	7,804,944
Deferred inflow related to OPEB	365,244
DEFERRED INFLOWS	<u><u>8,170,188</u></u>
 NET POSITION	
Net investment in capital assets	24,844,101
Restricted for capital improvements	12,258,503
Restricted for public safety	491,740
Unrestricted	2,989,404
TOTAL NET POSITION	<u><u>\$ 40,583,748</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, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense)</u> <u>Revenue and Change</u> <u>in Net Position</u>
		<u>Charges for</u> <u>Service</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital Grants</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>
Governmental Activities					
General government	\$ 1,208,888	\$ 413,883	\$ 6,983	\$ -	\$ (788,022)
Police department	3,909,419	111,084	-	-	(3,798,335)
Fire department	4,774,287	360,018	-	-	(4,414,269)
Public works	3,201,078	-	-	1,024,231	(2,176,847)
Building	577,827	877,663	-	-	299,836
Finance department	292,194	-	-	-	(292,194)
Court	121,000	120,903	-	-	(97)
Interest and fiscal charges	38,145	-	-	-	(38,145)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 14,122,838</u>	<u>\$ 1,883,551</u>	<u>\$ 6,983</u>	<u>\$ 1,024,231</u>	<u>(11,208,073)</u>
Taxes:					
Sales					4,868,332
Utility					2,174,490
Property					5,069,839
Franchise					959,884
Interest income					43,462
Miscellaneous					177,738
TOTAL GENERAL REVENUES					<u>13,293,745</u>
CHANGE IN NET POSITION					2,085,672
NET POSITION-BEGINNING OF YEAR,					<u>38,498,076</u>
NET POSITION END OF YEAR					<u>\$ 40,583,748</u>

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

CITY OF LADUE, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General Fund	Road and Bridge Fund	Capital Improvement Fund	Storm Water Projects Fund	Public Safety Fund	Total
ASSETS						
Cash and cash equivalents	\$ 6,626,018	\$ 1,817,897	\$ 881,458	\$ 2,164,883	\$ 411,143	\$ 11,901,399
Investments	2,535,663	-	250,000	7,502,909	-	10,288,572
Taxes receivable:						
Property	2,252,641	-	-	-	-	2,252,641
Other (net of allowance for doubtful accounts of \$21,677)	894,918	251,783	161,638	191,046	80,597	1,579,982
Due from other funds	436	38,318	-	-	-	38,754
Inventory	38,760	-	-	-	-	38,760
Prepaid insurance	20,693	-	-	-	-	20,693
TOTAL ASSETS	<u>\$12,369,129</u>	<u>\$ 2,107,998</u>	<u>\$ 1,293,096</u>	<u>\$ 9,858,838</u>	<u>\$ 491,740</u>	<u>\$ 26,120,801</u>
LIABILITIES						
Accounts payable	\$ 290,550	\$ 104,997	\$ 107,169	\$ 788,813	\$ -	\$ 1,291,529
Accrued wages and payroll items	96,403	-	-	-	-	96,403
Due to other funds	38,318	450	-	-	-	38,768
Other liabilities	7,265	-	-	-	-	7,265
Unearned revenue - alarm fees	82,995	-	-	-	-	82,995
Unearned revenue - grants	869,292	-	-	-	-	869,292
TOTAL LIABILITIES	<u>1,384,823</u>	<u>105,447</u>	<u>107,169</u>	<u>788,813</u>	<u>-</u>	<u>2,386,252</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	863,635	-	-	-	-	863,635
Unavailable revenue - ambulance fees	77,612	-	-	-	-	77,612
TOTAL DEFERRED INFLOWS	<u>941,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>941,247</u>
FUND BALANCES:						
Non-spendable:						
Prepaid items	20,693	-	-	-	-	20,693
Inventory	38,760	-	-	-	-	38,760
Restricted:						
Road and bridge projects	-	2,002,551	-	-	-	2,002,551
Capital improvements	-	-	1,185,927	-	-	1,185,927
Storm water projects	-	-	-	9,070,025	-	9,070,025
Public Safety	-	-	-	-	491,740	491,740
Assigned:						
Beautification project	9,759	-	-	-	-	9,759
Unassigned	9,973,847	-	-	-	-	9,973,847
TOTAL FUND BALANCES	<u>10,043,059</u>	<u>2,002,551</u>	<u>1,185,927</u>	<u>9,070,025</u>	<u>491,740</u>	<u>22,793,302</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$12,369,129</u>	<u>\$ 2,107,998</u>	<u>\$ 1,293,096</u>	<u>\$ 9,858,838</u>	<u>\$ 491,740</u>	<u>\$ 26,120,801</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, 2021

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

Total fund balance per balance sheet	\$ 22,793,302
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	26,526,139
The net pension asset reported in governmental activities is not a current financial resource and therefore is not reported in the funds.	2,722,168
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	941,247
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	1,854,432
Deferred outflow of resources related to OPEB	835,224
Deferred inflow of resources related to pension	(7,804,944)
Deferred inflow of resources related to OPEB	(365,244)
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.	(12,223)
Lease purchase agreement 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.	(1,682,038)
Other post retirement benefits are not a current financial resource and therefore is not reported in the funds.	(3,820,267)
Long-term liabilities, including compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,404,048)</u>
Net position of governmental activities	<u>\$ 40,583,748</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, 2021

	General Fund	Road and Bridge Fund	Capital Improvement Fund	Storm Water Projects Fund	Public Safety Fund	Total
REVENUES						
Taxes	\$ 10,573,840	\$ -	\$ 927,406	\$ 1,091,066	\$ 494,980	\$ 13,087,292
Intergovernmental	63,917	945,714	-	-	-	1,009,631
Licenses and permits	1,143,990	41,537	-	-	-	1,185,527
Fines and court costs	120,903	-	-	-	-	120,903
Charges for service	555,299	-	-	-	-	555,299
Grant income	6,983	14,600	-	-	-	21,583
Investment income	15,526	2,122	1,519	23,829	466	43,462
Miscellaneous	144,199	-	33,539	-	-	177,738
TOTAL REVENUES	<u>12,624,657</u>	<u>1,003,973</u>	<u>962,464</u>	<u>1,114,895</u>	<u>495,446</u>	<u>16,201,435</u>
EXPENDITURES						
Current:						
General government	923,375	-	-	-	-	923,375
Police department	4,770,966	-	-	-	-	4,770,966
Fire department	5,698,303	-	-	-	-	5,698,303
Public works	1,697,666	214,823	-	-	-	1,912,489
Building	628,611	-	-	-	-	628,611
Finance department	336,013	-	-	-	-	336,013
Court	131,662	-	-	-	-	131,662
Capital outlay	-	466,283	744,530	2,241,827	-	3,452,640
Debt service	-	-	447,586	-	-	447,586
TOTAL EXPENDITURES	<u>14,186,596</u>	<u>681,106</u>	<u>1,192,116</u>	<u>2,241,827</u>	<u>-</u>	<u>18,301,645</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,561,939)	322,867	(229,652)	(1,126,932)	495,446	(2,100,210)
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)	876,393	(487,613)	200,000	(168,780)	(420,000)	-
CHANGE IN FUND BALANCE	(685,546)	(164,746)	(29,652)	(1,295,712)	75,446	(2,100,210)
FUND BALANCES - BEGINNING OF YEAR	<u>10,728,605</u>	<u>2,167,297</u>	<u>1,215,579</u>	<u>10,365,737</u>	<u>416,294</u>	<u>24,893,512</u>
FUND BALANCES - END OF YEAR	<u>\$ 10,043,059</u>	<u>\$ 2,002,551</u>	<u>\$ 1,185,927</u>	<u>\$ 9,070,025</u>	<u>\$ 491,740</u>	<u>\$ 22,793,302</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, 2021**

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

Change in fund balance-total governmental funds	\$ (2,100,210)
The acquisition of capital assets requires the use of current financials resources, but has no effect on net position.	3,167,782
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.	(295,649)
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(1,709,785)
Revenues in the statement of activities that do not provide current financial resources, are not reported as revenue in the governmental funds.	7,075
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.	2,638,962
Payment of debt are expenditures in the governmental funds, but the payments reduce long-term liabilities in the statement of net position.	406,487
Interest is reported as an expenditure when due in the government funds but is accrued in the statement of activities	2,954
Compensated absences do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds.	<u>(31,944)</u>
Change in net position of governmental activities	<u><u>\$ 2,085,672</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, 2021

ASSETS

	AGENCY FUND	PENSION TRUST		TOTAL
		FIREMEN'S AND POLICEMEN'S PENSION FUND	NON-UNIFORMED EMPLOYEES PENSION FUND	
Cash and cash equivalents	\$ 540,500	346,120	45,402	\$ 391,522
Investments - at fair value:				
Bonds funds	-	8,840,792	1,299,403	10,140,195
Stock funds	-	29,758,654	4,328,699	34,087,353
Hedge fund	-	3,917,785	570,749	4,488,534
Real estate fund	-	5,477,641	756,354	6,233,995
Total Investments	-	47,994,872	6,955,205	54,950,077
Due from general fund	14	-	-	-
TOTAL ASSETS	\$ 540,514	\$ 48,340,992	\$ 7,000,607	\$ 55,341,599

LIABILITIES AND NET POSITION

LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Building permit escrow payable	540,500	-	-	-
TOTAL LIABILITIES	\$ 540,500	-	-	-
NET POSITION				
Net position held in trust for pension benefits	\$ 14	48,340,992	7,000,607	55,341,599
TOTAL LIABILITIES AND NET POSITION	\$ 540,514	\$ 48,340,992	\$ 7,000,607	\$ 55,341,599

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, 2021

	AGENCY FUND	PENSION TRUST		TOTAL
		FIREMEN'S AND POLICEMEN'S PENSION FUND	NON-UNIFORMED EMPLOYEES PENSION FUND	
ADDITIONS				
Contributions:				
Employer	\$ -	\$ 1,715,033	\$ 297,695	\$ 2,012,728
Plan members	-	323,985	-	323,985
Total Contributions	-	2,039,018	297,695	2,336,713
Investment return:				
Net realized and unrealized gain(loss) on investment	-	6,149,397	899,964	7,049,361
Interest and dividends	-	640,388	90,134	730,522
Less: investment expenses	-	(75,015)	(11,130)	(86,145)
Net Investment Return	-	6,714,770	978,968	7,693,738
Miscellaneous	14	-	-	14
TOTAL ADDITIONS	14	8,753,788	1,276,663	10,030,451
DEDUCTIONS				
Benefit payments	-	2,695,318	330,386	3,025,704
Administrative expense	-	9,100	5,900	15,000
TOTAL DEDUCTIONS	-	2,704,418	336,286	3,040,704
CHANGE IN NET POSITION	14	6,049,370	940,377	6,989,747
NET POSITION - BEGINNING OF YEAR	-	42,291,622	6,060,230	48,351,852
NET POSITION - END OF YEAR	\$ 14	\$ 48,340,992	\$ 7,000,607	\$ 55,341,599

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

CITY OF LADUE, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 by the Government Accounting Standards Board (GASB), 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) include, but are 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 major funds.

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 \$12,750,243 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 deposits are invested through the IntraFi Network Deposits program which invests in demand deposit accounts, money market deposit accounts and certificates of deposit accounts and certificates of deposit up to FDIC limits. 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 \$22,730,471 and the bank balances were \$22,780,285. 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 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	\$ 34,087,353	\$ 34,087,353	\$ -	\$ -
Fixed income mutual funds	10,140,195	-	10,140,195	-
Hedge fund	4,488,534	-	4,488,534	-
Traded real estate fund	6,233,995	-	-	6,233,995
Money market fund	<u>391,522</u>	<u>-</u>	<u>391,522</u>	<u>-</u>
Total governmental activities	<u>\$ 55,341,599</u>	<u>\$ 34,087,353</u>	<u>\$ 15,020,251</u>	<u>\$ 6,233,995</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	\$ 5,034,027
Total gains/losses for the year	1,199,968
Purchases	-
Distributions	-
Transfers in/out of level 3	-
Balance - end of year	<u>\$ 6,233,995</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, 2021, upon which the 2021 levy was based for real, personal and public utility property, was \$842,448,692. 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	\$ 0.606
Commercial	0.538
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, 2021:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 876,393	\$ -
Capital Improvements Fund	200,000	-
Road and Bridge Fund	-	487,613
Storm Water Projects Fund	-	168,780
Public Safety Fund	-	420,000

6. INTERFUND RECEIVABLES AND PAYABLES

A summary of interfund balances as of December 31, 2021 is as follows: Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects Fund	General Fund	\$ 38,318
Escrow Fund	General Fund	14
General Fund	Road and Bridge Fund	450

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, 2021 is as follows:

	Balance, Beginning Of Year	Additions and Transfers	Deletions and Transfers	Balance, End Of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 316,425	\$ -	\$ -	\$ 316,425
Construction in progress	1,093,444	2,288,788	(238,500)	3,143,732
Total capital assets not being depreciated	<u>1,409,869</u>	<u>2,288,788</u>	<u>(238,500)</u>	<u>3,460,157</u>
Capital assets being depreciated:				
Buildings	11,431,228	-	-	11,431,228
Improvements	880,687	155,000	-	1,035,687
Machinery and equipment	2,979,514	238,073	(321,809)	2,895,778
Vehicles	3,522,308	294,382	(197,489)	3,619,201
Infrastructure	21,767,440	191,540	-	21,958,980
Total capital assets being depreciated	<u>40,581,177</u>	<u>878,995</u>	<u>(519,298)</u>	<u>40,940,874</u>
Less Accumulated Depreciation:				
Buildings	(3,588,108)	(289,734)	-	(3,877,842)
Improvements	(575,105)	(39,953)	-	(615,058)
Machinery and equipment	(1,925,413)	(148,054)	270,158	(1,803,309)
Vehicles	(1,957,125)	(224,108)	191,990	(1,989,243)
Infrastructure	(8,581,504)	(1,007,936)	-	(9,589,440)
Total accumulated depreciation	<u>(16,627,255)</u>	<u>(1,709,785)</u>	<u>462,148</u>	<u>(17,874,892)</u>
Total capital assets being depreciated, net	<u>23,953,922</u>	<u>(830,790)</u>	<u>(57,150)</u>	<u>23,065,982</u>
Capital assets, net	<u>\$ 25,363,791</u>	<u>\$ 1,457,998</u>	<u>\$ (295,650)</u>	<u>\$ 26,526,139</u>

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

Governmental activities:	
General government	\$ 49,191
Police department	165,487
Fire department	298,940
Public works	1,182,068
Building department	14,099
Total depreciation governmental activities	<u>\$ 1,709,785</u>

8. **LONG-TERM LIABILITIES**

	Balance, Beginning Of Year	Additions	Reductions	Balance, End Of Year	Due Within One Year
Governmental activities:					
Accrued vacation	\$ 510,314	\$ 521,449	\$ (510,314)	\$ 521,449	\$ 521,449
Accrued sick leave	861,790	335,819	(315,009)	882,600	293,000
Lease purchase agreement	<u>2,088,525</u>	<u>-</u>	<u>(406,487)</u>	<u>1,682,038</u>	<u>410,918</u>
Subtotal					
Governmental Activities	<u>\$ 3,460,629</u>	<u>\$ 834,978</u>	<u>\$ (1,223,500)</u>	<u>\$ 3,086,087</u>	<u>\$ 1,225,367</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, 2021 is \$1,682,038.

The annual debt service requirements to maturity on the Lease Purchase Agreement outstanding as of December 31, 2021 are as follows:

For the Year ending December 31	Principal	Interest	Total
2022	\$ 410,918	\$ 32,189	\$ 443,107
2023	415,397	23,183	438,580
2024	419,924	14,078	434,002
2025	424,502	4,873	429,375
2026	11,297	123	11,420
TOTAL	<u>\$ 1,682,038</u>	<u>\$ 74,446</u>	<u>\$ 1,756,484</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 December 31, 2021, the date of the last actuarial valuation:

	<u>Uniformed Plan</u>	<u>Non-Uniformed Plan</u>
Retirees and beneficiaries currently receiving benefits	66	25
Terminated plan members entitled to but not yet receiving benefits	6	5
Active plan members	<u>59</u>	<u>23</u>
TOTAL	<u>131</u>	<u>53</u>

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.

9. **EMPLOYEE RETIREMENT SYSTEMS** - continued

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, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Maximum</u>	<u>Minimum</u>
Equities	60%	70%	50%
Fixed-Income	20	30	15
Alternatives	20	30	0

Rate of Return - For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.96%. 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, 2021, using the following actuarial assumptions, applied to all period included in the measurement:

Inflation	2.5%
Salary increases	4.5%
Investment rate of return	6.75%
Cost of living adjustments	2%, 20% cap

Mortality rates are based on the RP-2014 Healthy Annuitant Mortality, Projected Generationally from 2006 using MP-2021 Projection Scale. For disabled lives the rates are based on the RP-2014 Disabled Mortality Projected Generationally from 2006 using MP-2021 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, 2021, are summarized in the following table:

9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
US Cash	1.00%	-0.47%
US Core Fixed Income	16.00	1.19
US Equity Market	41.00	4.97
Non-US Equity	20.00	6.58
Emerging Markets Equity	2.00	8.62
US REITS	12.00	5.40
Hedge Funds - Equity Hedge	8.00	4.13

Discount Rate - The discount rate used to measure the total pension liability was 6.75%. 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

Changes in the Net Pension Liability -

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2020	\$44,182,314	\$42,291,622	\$ 1,890,692
Changes for the year:			
Service Cost	837,390	-	837,390
Interest Cost	3,058,620	-	3,058,620
Changes of Assumptions	1,637,111	-	1,637,111
Differences Between Expected and Actual Experience	(1,261,596)		(1,261,596)
Contributions:			
City	-	1,715,033	(1,715,033)
Employees	-	323,985	(323,985)
Net Investment Income	-	6,715,297	(6,715,297)
Benefit Payments Including Refunds	(2,695,846)	(2,695,846)	-
Administrative Expense	-	(9,100)	9,100
Net Changes	1,575,679	6,049,369	(4,473,690)
Balances at December 31, 2021	\$45,757,993	\$48,340,991	\$ (2,582,998)

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 6.75%, 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	\$ 51,334,469	\$ 45,757,993	\$ 41,097,741
Fiduciary net position	48,340,991	48,340,991	48,340,991
Net pension liability (asset)	<u>\$ 2,993,478</u>	<u>\$ (2,582,998)</u>	<u>\$ (7,243,250)</u>

THE CITY OF LADUE, MISSOURI PENSION PLAN FOR NON-UNIFORMED EMPLOYEES (NON-UNIFORMED 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. 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 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 1.50% 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, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Maximum</u>	<u>Minimum</u>
Equites	60%	70%	50%
Fixed-Income	20	30	15
Alternatives	20	30	0

Rate of Return - For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.16%. 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, 2021, using the following actuarial assumptions, applied to all period included in the measurement:

Inflation	2.5%
Salary increases	4.5%
Investment rate of return	6.75%
Cost of living adjustments	2%, 20% cap

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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
US Cash	2.00%	-0.47%
US Core Fixed Income	16.00	1.19
US Equity Market	40.00	4.97
Non-US Equity	20.00	6.58
Emerging Markets Equity	2.00	8.62
US REITS	12.00	5.40
Hedge Funds - Equity Hedge	8.00	4.13

9. **EMPLOYEE RETIREMENT SYSTEMS** - continued

Discount Rate - The discount rate used to measure the total pension liability was 6.75%. 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

Changes in the Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2020	\$ 6,602,542	\$ 6,058,867	\$ 543,675
Changes for the year:			
Service Cost	172,593	-	172,593
Interest Cost	462,892	-	462,892
Changes of Assumptions	239,237	-	239,237
Differences Between Expected and Actual Experience	(285,441)		(285,441)
Contributions:			
City	-	297,695	(297,695)
Employees	-	-	-
Net Investment Income	-	980,331	(980,331)
Benefit Payments Including Refunds	(330,386)	(330,386)	-
Administrative Expense	-	(5,900)	5,900
Net Changes	258,895	941,740	(682,845)
Balances at December 31, 2021	\$ 6,861,437	\$ 7,000,607	\$ (139,170)

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 6.75%, 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	\$ 7,803,391	\$ 6,861,437	\$ 6,080,605
Fiduciary net position	7,000,607	7,000,607	7,000,607
Net pension liability (asset)	<u>\$ 802,784</u>	<u>\$ (139,170)</u>	<u>\$ (920,002)</u>

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, 2021 the City recognized pension expense of \$(830,557). 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	\$ 174,738	\$ (2,125,337)
Changes in assumptions	1,679,694	(194,026)
Net differences between projected and actual earnings on pension plan investments	-	(5,485,581)
	<u>\$ 1,854,432</u>	<u>\$ (7,804,944)</u>

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

Year ended December 31:	
2022	\$ (1,381,313)
2023	(2,420,882)
2024	(1,399,914)
2025	(788,638)
2026	40,235
	<u>\$ (5,950,512)</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. 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 who 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, 2020, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	79
Retirees and beneficiaries currently receiving benefits	36
Total Plan Participants	<u>115</u>

Actuarial valuations are performed biennially as of December 31 for accounting purposes only. The actuarial assumptions include (a) 2.12% discount rate, (b) employee participation rates of future retired employees are assumed to be 60% for medical coverage and 70% for dental coverage; 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-2020.

Net OPEB Liability

As of December 31, 2021, the measurement date, the City does not fund the OPEB Plan. The Plan fiduciary net position at December 31, 2021 therefore is \$-0-.

Changes in Net OPEB Liability

Changes in net OPEB Liability are as follows:

Net OPEB liability at beginning of year	<u>\$ 3,658,364</u>
Service cost	267,047
Interest cost	81,031
Differences between expected and actual experience	-
Changes in assumptions	21,228
Benefit payments (Employer Contributions)	<u>(207,403)</u>
Net changes	<u>161,903</u>
Net OPEB liability at end of year	<u>\$ 3,820,267</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 2.06%, 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 (1.06%) or 1 percentage-point higher (3.06%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 4,194,635	\$ 3,820,267	\$ 3,483,378

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:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 3,355,209	\$ 3,820,267	\$ 4,383,872

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, 2021, the City recognized OPEB expense of \$413,539. At December 31, 2021. 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	\$ 633,865	\$ -
Changes in assumptions	201,359	(365,244)
Total Changes	<u>\$ 835,224</u>	<u>\$ (365,244)</u>

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

Year ended December 31:	
2021	\$ 63,648
2022	63,648
2023	63,648
2024	63,648
2025	63,648
Thereafter	151,740

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 affect 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. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, GASB Statement No. 94, *Public -Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No. 96, *Subscription-Based Information Technology 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. **UNCERTAINTY DUE TO COVID-19**

During the first quarter of 2020, there was a global outbreak of a novel strain of the coronavirus (COVID-19). The impact of this virus and the governmental mandated restrictions which resulted in a worldwide pandemic could significantly affect the future operations, revenue and expenses of the City. At the time these financial statements were issued, management is unable to estimate the future effects of COVID-19 on its financial position and operations. The accompanying financial statements do not include any adjustments for the risk and uncertainty of Covid-19.

15. **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.

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

	2021	2020	2019	2018	2017	2016	2015	2014
Service cost	\$ 172	\$ 202	\$ 148	\$ 116	\$ 122	\$ 108	\$ 77	\$ 98
Interest on total pension liability	463	455	379	366	361	342	332	321
Effect of plan changes	-	-	877	-	-	-	-	-
Effect of economic/demographic gains or losses	(286)	(195)	(18)	(5)	(93)	(93)	(43)	14
Effect of assumptions changes or inputs	239	(25)	(15)	(13)	(27)	166	-	-
Benefit payments, including refunds	(330)	(300)	(329)	(297)	(278)	(261)	(254)	(243)
Net change in total pension liability	258	137	1,042	167	85	262	112	190
Total pension liability - beginning of year	6,603	6,466	5,424	5,257	5,172	4,910	4,798	4,608
Total pension liability - end of year	<u>\$ 6,861</u>	<u>\$ 6,603</u>	<u>\$ 6,466</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	\$ 298	\$ 348	\$ 219	\$ 200	\$ 199	\$ 183	\$ 154	\$ 177
Net investment income	980	640	880	(325)	655	300	(30)	263
Benefit payments, including refunds	(330)	(300)	(329)	(297)	(278)	(261)	(254)	(243)
Administrative expenses	(6)	(6)	(12)	-	(12)	-	(10)	(9)
Net change in plan fiduciary net position	942	682	758	(422)	564	222	(140)	188
Plan fiduciary net position - beginning of year	6,059	5,377	4,619	5,041	4,477	4,255	4,395	4,207
Plan fiduciary net position - end of year	<u>\$ 7,001</u>	<u>\$ 6,059</u>	<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>\$ (140)</u>	<u>\$ 544</u>	<u>\$ 1,091</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>102.0 %</u>	<u>91.8 %</u>	<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>\$ 1,591</u>	<u>\$ 1,811</u>	<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/asset as a percentage of covered payroll	<u>8.8 %</u>	<u>30.0 %</u>	<u>54.2 %</u>	<u>41.6 %</u>	<u>12.9 %</u>	<u>40.4 %</u>	<u>40.3 %</u>	<u>30.6 %</u>
Money weighted rate of return	<u>16.2 %</u>	<u>11.6 %</u>	<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

	2021	2020	2019	2018	2017	2016	2015	2014
Service cost	\$ 837	\$ 784	\$ 796	\$ 744	\$ 739	\$ 655	\$ 652	\$ 651
Interest on total pension liability	3,059	2,972	2,989	2,906	2,846	2,671	2,584	2,517
Effect of plan changes	-	-	-	-	-	-	-	-
Effect of economic/demographic gains or losses	(1,261)	269	(1,270)	(477)	(74)	(243)	326	44
Effect of assumptions changes or inputs	1,637	(132)	(112)	516	(207)	1,704	-	-
Benefit payments, including refunds	(2,696)	(2,710)	(2,574)	(2,524)	(2,407)	(2,335)	(2,286)	(2,250)
Net change in total pension liability	1,576	1,183	(171)	1,165	897	2,452	1,276	962
Total pension liability - beginning of year	44,182	42,999	43,170	42,005	41,108	38,656	37,380	36,418
Total pension liability - end of year	<u>\$ 45,758</u>	<u>\$ 44,182</u>	<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	\$ 1,715	\$ 1,690	\$ 1,835	\$ 1,861	\$ 1,787	\$ 1,611	\$ 1,561	\$ 2,600
Contributions - employee	324	317	324	311	312	294	290	281
Net investment income	6,715	4,552	6,284	(2,288)	4,572	2,070	(179)	1,762
Benefit payments, including refunds	(2,695)	(2,710)	(2,574)	(2,524)	(2,407)	(2,335)	(2,286)	(2,250)
Administrative expenses	(9)	(9)	(18)	-	(19)	-	(14)	(12)
Net change in plan fiduciary net position	6,050	3,840	5,851	(2,640)	4,245	1,640	(628)	2,381
Plan fiduciary net position - beginning of year	42,291	38,451	32,600	35,240	30,995	29,355	29,983	27,602
Plan fiduciary net position - end of year	<u>\$ 48,341</u>	<u>\$ 42,291</u>	<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>\$ (2,583)</u>	<u>\$ 1,891</u>	<u>\$ 4,548</u>	<u>\$ 10,570</u>	<u>\$ 6,765</u>	<u>\$ 10,113</u>	<u>\$ 9,301</u>	<u>\$ 7,397</u>
Plan fiduciary net position as a percentage of total pension liability	<u>105.6%</u>	<u>95.7%</u>	<u>89.4%</u>	<u>75.5%</u>	<u>83.9%</u>	<u>75.4%</u>	<u>75.9%</u>	<u>80.2%</u>
Covered employee payroll	<u>\$ 5,608</u>	<u>\$ 5,811</u>	<u>\$ 5,434</u>	<u>\$ 5,296</u>	<u>\$ 4,886</u>	<u>\$ 4,825</u>	<u>\$ 4,631</u>	<u>\$ 4,535</u>
Net pension liability/asset as a percentage of covered payroll	<u>46.1 %</u>	<u>32.5 %</u>	<u>83.7 %</u>	<u>199.6 %</u>	<u>138.5 %</u>	<u>209.6 %</u>	<u>200.8 %</u>	<u>163.1 %</u>
Money weighted rate of return	<u>16.0 %</u>	<u>11.7 %</u>	<u>19.0 %</u>	<u>(6.4) %</u>	<u>14.5 %</u>	<u>7.0 %</u>	<u>(0.6) %</u>	<u>6.1 %</u>

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
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
2020	349,374	349,374	-	100	2,012,165	17.36
2021	297,695	297,695	-	100	1,810,552	16.44

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
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
2020	1,690,108	1,690,108	-	100	5,433,772	31.10
2021	1,715,333	1,715,033	300	100	5,811,363	29.51

Notes to Schedule

Valuation Date: December 31, 2021

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	6.75%

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-2021
Projection Scale. RP-2014 Disabled Mortality Projected Generationally from 2006 using
MP-2021 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

	2021	2020	2019	2018
Service cost	\$ 267	\$ 263	\$ 125	\$ 128
Interest	81	89	114	98
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	-	803	-	-
Changes in assumptions	21	(375)	271	(123)
Benefit payments, including refunds	(207)	(190)	(191)	(166)
Net change in total Other Post-Employment Benefit liability	162	590	319	(63)
Total Other Post-Employment Benefit liability - beginning of year	3,658	3,068	2,749	2,812
Total Other Post-Employment Benefit liability - end of year	<u>\$ 3,820</u>	<u>\$ 3,658</u>	<u>\$ 3,068</u>	<u>\$ 2,749</u>
Covered employee payroll	<u>\$ 7,525</u>	<u>\$ 7,647</u>	<u>\$ 7,492</u>	<u>\$ 7,232</u>
Total Other Post-Employment Benefit liability as a percentage of covered employee payroll	<u>50.8%</u>	<u>47.8%</u>	<u>40.95%</u>	<u>38.0%</u>

Notes:

Valuation Date: December 31, 2020

Measurement date: December 31, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal

Health Care Inflation 5.8% initially, grading down to 3.7%

Salary increases 4.5% per annum

Discount rate 2.06%

Retirement age Non-uniform Employees: Age 60-65

Uniformed Employees: Age 55-60

Mortality RP-2014 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP - 2020

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 SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUE				
Taxes	\$ 10,171,623	\$ 10,171,623	\$ 10,573,840	\$ 402,217
Intergovernmental	113,416	113,416	63,917	(49,499)
Licenses and permits	785,100	785,100	1,143,990	358,890
Fines and court costs	100,000	100,000	120,903	20,903
Charges for service	501,000	501,000	555,299	54,299
Grant income	-	-	6,983	6,983
Miscellaneous	212,000	212,000	159,725	(52,275)
TOTAL REVENUE	<u>11,883,139</u>	<u>11,883,139</u>	<u>12,624,657</u>	<u>741,518</u>
EXPENDITURES				
Current:				
General government	894,420	894,420	923,375	(28,955)
Police department	5,016,756	5,016,756	4,770,966	245,790
Fire department	5,836,714	5,836,714	5,698,303	138,411
Public works	1,787,785	1,787,785	1,697,666	90,119
Building	776,141	776,141	628,611	147,530
Finance	355,058	355,058	336,013	19,045
Court	137,198	137,198	131,662	5,536
TOTAL EXPENDITURES	<u>14,804,072</u>	<u>14,804,072</u>	<u>14,186,596</u>	<u>617,476</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,920,933)	(2,920,933)	(1,561,939)	1,358,994
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	876,393	876,393	876,393	-
CHANGE IN FUND BALANCE	(2,044,540)	(2,044,540)	(685,546)	<u>\$ 1,358,994</u>
FUND BALANCE - BEGINNING OF YEAR	<u>10,728,605</u>	<u>10,728,605</u>	<u>10,728,605</u>	
FUND BALANCE - END OF YEAR	<u>\$ 8,684,065</u>	<u>\$ 8,684,065</u>	<u>\$ 10,043,059</u>	

CITY OF LADUE, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 ROAD AND BRIDGE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUE				
Intergovernmental	\$ 929,399	\$ 929,399	\$ 945,714	\$ 16,315
Licenses and permits	36,000	36,000	41,537	5,537
Miscellaneous income	108,800	108,800	16,722	(92,078)
TOTAL REVENUE	<u>1,074,199</u>	<u>1,074,199</u>	<u>1,003,973</u>	<u>(70,226)</u>
EXPENDITURES				
Current:				
Public works	479,712	479,712	214,823	264,889
Capital outlay	803,875	803,875	466,283	337,592
TOTAL EXPENDITURES	<u>1,283,587</u>	<u>1,283,587</u>	<u>681,106</u>	<u>602,481</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(209,388)	(209,388)	322,867	532,255
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	<u>(487,613)</u>	<u>(487,613)</u>	<u>(487,613)</u>	<u>-</u>
CHANGE IN FUND BALANCE	(697,001)	(697,001)	(164,746)	<u>\$ 532,255</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,167,297</u>	<u>2,167,297</u>	<u>2,167,297</u>	
FUND BALANCE - END OF YEAR	<u>\$ 1,470,296</u>	<u>\$ 1,470,296</u>	<u>\$ 2,002,551</u>	

CITY OF LADUE, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 STORM WATER PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUE				
Taxes	\$ 966,755	\$ 966,755	\$ 1,091,066	\$ 124,311
Miscellaneous	385,000	385,000	23,829	(361,171)
TOTAL REVENUE	<u>1,351,755</u>	<u>1,351,755</u>	<u>1,114,895</u>	<u>(236,860)</u>
EXPENDITURES				
Capital outlay	6,409,806	6,409,806	2,241,827	4,167,979
TOTAL EXPENDITURES	<u>6,409,806</u>	<u>6,409,806</u>	<u>2,241,827</u>	<u>4,167,979</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,058,051)	(5,058,051)	(1,126,932)	3,931,119
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	(168,780)	(168,780)	(168,780)	-
CHANGE IN FUND BALANCE	(5,226,831)	(5,226,831)	(1,295,712)	<u>\$ 3,931,119</u>
FUND BALANCE - BEGINNING OF YEAR	<u>10,365,737</u>	<u>10,365,737</u>	<u>10,365,737</u>	
FUND BALANCE - END OF YEAR	<u>\$ 5,138,906</u>	<u>\$ 5,138,906</u>	<u>\$ 9,070,025</u>	

CITY OF LADUE, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 PUBLIC SAFETY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
OPERATING REVENUE				
Taxes	\$ 428,400	\$ 428,400	\$ 494,980	\$ 66,580
Miscellaneous	1,515	1,515	466	(1,049)
TOTAL REVENUE	<u>429,915</u>	<u>429,915</u>	<u>495,446</u>	<u>65,531</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	<u>(420,000)</u>	<u>(420,000)</u>	<u>(420,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	9,915	9,915	75,446	<u>\$ 65,531</u>
FUND BALANCE - BEGINNING OF YEAR	<u>416,294</u>	<u>416,294</u>	<u>416,294</u>	
FUND BALANCE - END OF YEAR	<u>\$ 426,209</u>	<u>\$ 426,209</u>	<u>\$ 491,740</u>	

CITY OF LADUE, MISSOURI
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL IMPROVEMENTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
OPERATING REVENUE				
Taxes	\$ 929,060	\$ 929,060	\$ -	\$ (929,060)
Miscellaneous	7,500	7,500	-	(7,500)
TOTAL REVENUE	<u>936,560</u>	<u>936,560</u>	<u>-</u>	<u>(936,560)</u>
EXPENDITURES				
Capital outlay	1,373,266	1,373,266	-	1,373,266
Debt service	447,586	447,586	-	447,586
TOTAL EXPENDITURES	<u>1,820,852</u>	<u>1,820,852</u>	<u>-</u>	<u>1,820,852</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(884,292)	(884,292)	-	884,292
OTHER FINANCING SOURCES (USES)				
Operating transfers in (out)	200,000	200,000	-	(200,000)
CHANGE IN FUND BALANCE	(684,292)	(684,292)	-	<u>\$ 684,292</u>
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	
FUND BALANCE - END OF YEAR	<u>\$ (684,292)</u>	<u>\$ (684,292)</u>	<u>\$ -</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>
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
2020	737,922	10,365,579	1,614,726	721,127	309,485	120,146	13,868,985
2021	923,375	10,469,269	1,697,666	628,611	336,013	131,662	14,186,596

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	OTHER	TOTAL
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
2020	9,731,516	877,014	448,108	104,117	947,779	12,108,534
2021	10,637,757	1,143,990	555,299	120,903	166,708	12,624,657

CITY OF LADUE, MISSOURI
SCHEDULE OF REAL ESTATE 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>
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
2020	4,585,829	2,169,454	47.3	1,510,539	3,679,993	80.2	2,359,720 *	51.5
2021	4,672,074	2,633,838	56.4	1,174,504	3,808,342	81.5	1,996,774 *	42.7

* 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, 2021

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	29
Communications personnel	1
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, 2021	3,843
Recreation and Culture:	
Number of:	
Parks	2 with approximately 66.7 acres
Libraries	1
Private country clubs	6
Employees (Full-Time Equivalents)	91