

**CITY OF DARDENNE PRAIRIE, MISSOURI**

**INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

CITY OF DARDENNE PRAIRIE, MISSOURI

DECEMBER 31, 2021

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# BATES CPA

## Limited Liability Company

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### INDEPENDENT AUDITOR'S REPORT

Board of Aldermen  
City of Dardenne Prairie, Missouri

#### Report on the Audit of the Financial Statements

##### Opinions

I have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Dardenne Prairie, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Dardenne Prairie, Missouri, as of December 31, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

##### Basis for Opinions

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the City of Dardenne Prairie, Missouri, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

##### Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinions are not modified with respect to this matter.

##### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dardenne Prairie, 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.

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

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

I am 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 I identified during the audit.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, the budgetary comparison information, schedules of changes in net pension liability and related ratios and the schedule of pension contributions but does not include the basic financial statements and my auditor's report thereon. My opinions on the basic financial statements do not cover the other information, and I do not express an opinion or any form of assurance thereon.

In connection with my audit of the basic financial statements, my 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, I conclude that an uncorrected material misstatement of the other information exists, I am required to describe it in my report.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my reported dated June 23, 2022, on my consideration of the City of Dardenne Prairie's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Dardenne Prairie, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dardenne Prairie, Missouri's internal control over financial reporting and compliance.

BATES CPA LLC

St. Charles, Missouri

June 23, 2022

CITY OF DARDENNE PRAIRIE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

As management of the City of Dardenne Prairie, Missouri, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here along with the City's financial statements, including the notes to the financial statements.

#### **FINANCIAL HIGHLIGHTS**

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$29,836,582. The City has unrestricted net position of \$5,188,559.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$8,612,145.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,218,164.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information.

##### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Note the government-wide financial statements exclude fiduciary fund activities. For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish governmental activities, which normally are supported by taxes and City general revenues, from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

The City has elected to utilize a modified cash basis of accounting as explained in Note 1.C of the notes to the financial statements.

CITY OF DARDENNE PRAIRIE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

## **Fund Financial Statements**

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements utilize a current financial resources measurement focus as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Special Revenue Fund, Parks and Storm Water Control Fund, Capital Improvement Fund and Capital Projects Fund, all of which are considered to be major funds.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided for all major funds to demonstrate legal compliance with the respective adopted budget.

## **Notes to the 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.

## **Other Information**

In addition to the financial statements and accompanying notes, certain other information has been provided.



CITY OF DARDENNE PRAIRIE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

A condensed version of the statement of net position follows:

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,335,798	\$ 6,322,388
Cash held by St. Charles County	338,185	254,394
Investments	2,238,596	2,715,000
Net pension asset	104,890	-
Capital assets, net	<u>26,170,403</u>	<u>25,400,588</u>
Total assets	<u>35,187,872</u>	<u>34,692,370</u>
 DEFERRED OUTFLOWS	 <u>199,149</u>	 <u>263,123</u>
 <b>LIABILITIES</b>		
Court bond liability	2,950	3,200
Lease security deposits	3,488	3,488
Performance deposits	293,996	362,336
Non-current liabilities		
Due within one year	549,832	511,192
Due in more than one year	4,573,083	5,130,488
Net pension liability	-	63,195
Total liabilities	<u>5,423,349</u>	<u>6,073,899</u>
 DEFERRED INFLOWS	 <u>127,090</u>	 <u>890</u>
 <b>NET POSITION</b>		
Net investment in capital assets	21,047,488	19,758,908
Restricted for:		
Pension	104,890	-
Road and bridge improvements	708,247	562,827
Park and storm water control improvements	855,247	-
Capital improvements	655,496	384,028
American Rescue Plan Act costs	1,346,748	-
Unrestricted	<u>5,118,466</u>	<u>8,174,941</u>
Total net position	<u>\$ 29,836,582</u>	<u>\$ 28,880,704</u>

As noted earlier, net position may serve over time as a useful indicator of a city's financial position. In the case of the City of Dardenne Prairie, assets exceeded liabilities by \$29,836,582 at the close of December 31, 2021.

By far the largest portion of the City of Dardenne Prairie's net position (70.5 percent) reflects its investment in capital assets (e.g., land, buildings, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City of Dardenne Prairie uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City of Dardenne Prairie's net position (12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$5,188,559 may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF DARDENNE PRAIRIE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**Governmental Activities**

As illustrated below, governmental activities increased the City's net position by \$955,878.

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Program revenues:		
Charges for services	\$ 753,115	\$ 460,504
Operating grants and contributions	544,158	497,435
Capital grants and contributions	467,983	2,215,765
General revenues and transfers:		
Sales tax	2,657,121	2,531,778
Property taxes	346,199	320,833
NID assessment fees	127,794	116,737
Franchise fees	121,219	122,669
Investment income	67,403	96,548
Lease revenue	56,788	54,288
American Rescue Plan Act funding	1,346,718	-
CARES Act funding	29,736	-
Loss on dispositions of assets	( 24,865)	( 306,018)
Miscellaneous	<u>8,150</u>	<u>68,238</u>
Total revenues	<u>6,501,519</u>	<u>6,178,777</u>
<b>EXPENSES</b>		
General government	1,159,414	1,562,920
Road	2,945,833	1,721,920
Park and Storm water control activities	543,126	478,429
Public safety	325,779	331,001
Interest on long-term debt	<u>165,034</u>	<u>59,227</u>
Total expenses	<u>5,139,186</u>	<u>4,153,497</u>
The Prairie and Industrial Revenue Bonds prefunding	112,811	-
Bond issuance costs	( 91,061)	-
Payments to Transportation Development District	<u>( 428,205)</u>	<u>( 392,380)</u>
	955,878	1,632,900
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>28,880,704</u>	<u>27,247,804</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 29,836,582</u>	<u>\$ 28,880,704</u>

CITY OF DARDENNE PRAIRIE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds**

The focus of the City's governmental funds is to provide information on inflows, outflows, and balances of available expendable resources. Such information is useful in assessing the City's financing requirements. In particular, fund balance (deficit) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The following is an analysis of fund balance:

	<u>General</u>	<u>Special Revenue</u>	<u>Parks and Storm Water Control</u>	<u>Capital Improvement</u>	<u>Capital Project</u>	<u>Nonmajor Debt Service Funds</u>
December 31, 2021	<u>\$ 5,327,219</u>	<u>\$ 1,046,432</u>	<u>\$ 1,186,947</u>	<u>\$ 655,496</u>	<u>\$ -</u>	<u>\$ 396,051</u>
December 31, 2020	<u>\$ 4,928,733</u>	<u>\$ 562,827</u>	<u>\$ 750,280</u>	<u>\$ 384,028</u>	<u>\$ 1,910,186</u>	<u>\$ 386,704</u>

The General Fund is the chief operating fund of the City of Dardenne Prairie. As a measure of the General Fund's liquidity, it may be useful to compare general fund unassigned fund balance to general fund total expenditures. General fund unassigned fund balance represents 105 percent of General Fund total expenditures. The fund balance in the City's General Fund increased by \$398,486 from the prior year fund balance.

**CAPITAL ASSETS**

At December 31, 2021, the City has invested in a broad range of capital assets, including land, building, improvements, equipment, and infrastructure. This amount includes a net increase for the current fiscal year (including additions and deductions) of \$769,815. The City's capital assets, net of accumulated depreciation, consisted of:

	<u>2021</u>	<u>2020</u>
Land	\$ 3,213,632	\$ 3,213,632
Land improvements	4,291,457	2,084,942
Building and improvements	3,662,165	3,302,198
Equipment	604,042	570,288
Infrastructure	24,329,702	23,831,107
Construction in progress	<u>448,719</u>	<u>1,799,991</u>
Total	36,549,717	34,802,158
Less: Accumulated depreciation	<u>( 10,379,314)</u>	<u>( 9,401,570)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 26,170,403</u>	<u>\$ 25,400,588</u>

At December 31, 2021, the City had commitments totaling \$2,352,453 remaining under certain road repairs and improvements construction contracts.

Additional information regarding capital assets can be found in Note 3 to the financial statements.



CITY OF DARDENNE PRAIRIE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**LONG-TERM DEBT**

**Certificates of Participation, Series 2020 (COPS 2020)**

On May 28, 2020, the City issued \$3,000,000 of Certificates of Participation, Series 2020. The proceeds were used for the purpose of providing funds (1) to pay a portion of the costs to acquire, construct, renovate, install, improve, and equip certain park and recreational facility improvements within the City and (2) to pay the costs of executing and delivering the Series 2020 Certificates. Interest is due semi-annually with an interest rate ranging from 2.0% to 4.0%. The outstanding balance on the certificates was \$2,865,000 at December 31, 2021.

**Certificates of Participation, Series 2016 (COPS 2016)**

On May 17, 2016, the City issued \$3,070,000 of Certificates of Participation, Series 2016. The proceeds were used to refund \$3,050,000 of outstanding Series 2008 and Series 2009 Certificates of Participation. Payment of the principal is for varying amounts due each year on August 1<sup>st</sup> through August 2028. Interest is due semi-annually with an interest rate ranging from 2.0% to 3.0%. The outstanding balance on the certificates was \$1,660,000 at December 31, 2021.

**Neighborhood Improvement District Limited General Obligation Bond**

During 2005, the City authorized the issuance of \$1,605,000 Neighborhood Improvement District General Obligation Bonds for the purpose of (1) paying all or part of the costs of improvements within the district's boundaries, (2) paying the costs of issuing the Bonds, and (3) establishing and funding the Bond Reserve.

During 2012, the City authorized the issuance of \$1,240,000 Neighborhood Improvement District Limited General Obligations Refunding Bonds for the purpose of providing funds to (a) refund the Series 2005 Bonds, (b) fund a debt service reserve fund to secure the 2012 Bonds, and (c) pay the cost of issuance of the 2012 Bonds. Payment of the principal is for varying amounts due each year on March 1<sup>st</sup> through March 2024. Interest is due semi-annually with an interest rate ranging from 2.15% to 2.75%. Principal owed at December 31, 2021 totaled \$325,000.

**AMENDED BUDGET**

The 2021 budget was amended to more accurately reflect income and expenditures. The following are significant differences between the original and final budget:

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Explanation</u>
<u>General Fund</u>			
License and permits	\$ 245,170	\$ 516,170	Increase in building development was not anticipated during original budget process.
American Rescue Plan Act funding	\$ -	\$ 1,346,718	Funding was not anticipated during original budget process.
Capital outlay	\$ 208,600	\$ 622,650	Additional road work was not anticipated.
<u>Special Revenue Fund</u>			
Intergovernmental revenue	\$ 1,385,257	\$ 10,069	There was a delay in Hanley Road project.
Capital outlay	\$ 3,000,031	\$ 1,485,300	There was a delay in Hanley Road project.
<u>Park and Storm Water Control Fund</u>			
Capital outlay	\$ 577,275	\$ 1,596,539	Completion of athletic complex was delayed into 2021.

CITY OF DARDENNE PRAIRIE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

For year ending December 31, 2022 the City projects General Fund revenue of \$2,457,000 and General Fund expenditures of \$4,219,307, giving the City a fund balance of \$3,564,912 in the General Fund at December 31, 2022. The City is anticipating a December 31, 2022 fund balance of \$852,447 in the Parks and Storm Water Control Fund, \$1,177,485 in the Special Revenue Fund and \$658,058 in the Capital Improvement Fund, respectively.

The City will also have \$2,694,738 of American Rescue Plan Act funds available during 2022 to obligate to eligible costs by December 31, 2024 and spend by December 31, 2026.

Subsequent to December 31, 2021, the City issued \$5,440,000 of Certificates of Participation, Series 2022 to fund street repairs. A ½ cent transportation tax was also approved by the voters in November 2021 to provide resources to pay off the 2022 Certificates of Participation over fifteen years.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Kimberlie Clark, City Clerk/Treasurer  
City of Dardenne Prairie  
2032 Hanley Road  
Dardenne Prairie, MO 63368

CITY OF DARDENNE PRAIRIE, MISSOURI  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
DECEMBER 31, 2021

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	6,335,798
Cash held by St. Charles County	338,185
Investments	2,238,596
Net pension asset	104,890
Capital assets, net of accumulated depreciation	
Land	3,213,632
Land Improvements	3,710,922
Building and improvements	2,627,826
Equipment	78,123
Infrastructure	16,091,181
Construction in progress	448,719
Total capital assets, net	<u>26,170,403</u>
Total assets	<u>35,187,872</u>
<b>DEFERRED OUTFLOWS</b>	
Deferred outflows related to pension	56,997
Deferred charge on advance refunding	142,152
Total deferred outflows	<u>199,149</u>
<b>LIABILITIES</b>	
Court bond liability	2,950
Lease security deposits	3,488
Performance deposits	293,996
Non-current liabilities	
Due within one year	549,832
Due in more than one year	4,573,083
Total liabilities	<u>5,423,349</u>
<b>DEFERRED INFLOWS</b>	
Deferred inflows related to pension	127,090
Total deferred inflows	<u>127,090</u>
<b>NET POSITION</b>	
Net investment in capital assets	21,047,488
Restricted for:	
Pension	104,890
Road and bridge improvements	708,247
Park and stormwater control costs	855,247
Capital improvements	655,496
American Rescue Plan Act costs	1,346,748
Unrestricted	5,118,466
Total net position	<u><u>29,836,582</u></u>

See Notes to Financial Statements



CITY OF DARDENNE PRAIRIE, MISSOURI  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2021

Functions/Programs	Program Revenues			Net Revenue (Expense) and Change in Net Position
	Expenses	Charges for Service	Operating Grants and Contributions	
Governmental Activities			Capital Grants and Contributions	
Primary government:				
Governmental activities:				
General government and court	1,159,414	550,031	-	(609,383)
Road	2,945,833	-	492,861	(1,984,989)
Park and stormwater control activities	543,126	102,650	51,297	(389,179)
Public safety	325,779	100,434	-	(225,345)
Interest on long-term debt	165,034	-	-	(165,034)
Total governmental activities	5,139,186	753,115	544,158	(3,373,930)

Sales taxes	2,657,121
Property taxes	346,199
Franchise fees	121,219
NID assessment fees	127,794
Investment income	67,403
Lease revenue	56,788
CARES Act funding	29,736
American Rescue Plan Act funding	1,346,718
Loss on disposition of assets	(24,865)
Miscellaneous	8,150
Total general revenues	4,736,263

The Prairie and Industrial Revenue Bonds prefunding	112,811
Bond issuance costs	(91,061)
Payments to Transportation Development District	(428,205)

Change in net position	955,878
Net position, beginning of year	28,880,704
Net position, end of year	29,836,582

CITY OF DARDENNE PRAIRIE, MISSOURI  
BALANCE SHEET - MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

ASSETS							Funds
General Fund	Revenue Fund	Control Fund	Fund	Fund	Fund	Funds	
Cash and cash equivalents	1,749,301	708,247	1,186,947	655,496	-	396,051	4,696,042
Cash, restricted to performance deposits	293,008	-	-	-	-	-	293,008
Cash held by St. Charles County	-	338,185	-	-	-	-	338,185
Cash restricted pursuant to American Rescue Plan Act	1,346,748	-	-	-	-	-	1,346,748
Investments	2,238,596	-	-	-	-	-	2,238,596
Total assets	5,627,653	1,046,432	1,186,947	655,496	-	396,051	8,912,579
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Court bonds liability	2,950	-	-	-	-	-	2,950
Lease security deposits	3,488	-	-	-	-	-	3,488
Performance deposits	293,996	-	-	-	-	-	293,996
Total liabilities	300,434	-	-	-	-	-	300,434
FUND BALANCES							
Restricted for:							
Road and bridge improvements	-	708,247	-	-	-	-	708,247
Park and storm water control costs	-	-	855,247	-	-	-	855,247
Capital improvements	-	-	-	655,496	-	-	655,496
American Rescue Plan Act costs	1,346,748	-	-	-	-	-	1,346,748
Committed to:							
Debt service	-	-	-	-	-	396,051	396,051
Road and bridge improvements	-	338,185	-	-	-	-	338,185
Subsequent budget	1,762,307	-	331,700	-	-	-	2,094,007
Unassigned	2,218,164	-	-	-	-	-	2,218,164
Total fund balances	5,327,219	1,046,432	1,186,947	655,496	-	396,051	8,612,145
Total liabilities and fund balances	5,627,653	1,046,432	1,186,947	655,496	-	396,051	

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

Capital assets of \$36,549,717 net of accumulated depreciation of \$10,379,314 are not financial resources and, therefore, are not reported in the funds	26,170,403
Bonds payable are not reported in the funds	(5,122,915)
Deferred outflows related to charges on refundings of debt are not available to pay current expenditures and therefore are not reported in the funds	142,152
Certain pension assets and liabilities are not financial resources and uses and are not reported in the governmental funds	34,797
Net position of governmental activities	29,836,582

CITY OF DARDENNE PRAIRIE, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021

	General Fund	Special Revenue Fund	Parks and Storm Water Control Fund	Capital Improvement Fund	Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	1,673,391	831,251	714,141	667,086	-	-	3,885,869
CARES Act funding	29,736	-	-	-	-	-	29,736
American Rescue Plan Act funding	1,346,718	-	-	-	-	-	1,346,718
Intergovernmental	-	10,069	-	119,525	-	-	129,594
Licenses and permits	550,031	-	-	-	-	-	550,031
Court fines	100,434	-	-	-	-	-	100,434
Charges for services	107,094	-	-	-	-	-	107,094
Franchise fees	121,219	-	-	-	-	-	121,219
Investment income	66,371	236	475	171	43	107	67,403
Lease revenue	56,788	-	-	-	-	-	56,788
Other revenue	3,713	-	-	-	-	127,794	131,507
Total revenues	4,055,495	841,556	714,616	786,782	43	127,901	6,526,393
<b>EXPENDITURES</b>							
Current expenditures:							
General government	1,173,428	-	-	-	-	-	1,173,428
Public safety	325,779	-	-	-	-	-	325,779
Park	-	-	420,707	-	-	-	420,707
Capital outlay	598,111	1,460,613	1,599,798	188,623	-	-	3,847,145
Debt service:							
Principal	-	-	-	-	-	500,000	500,000
Interest and fiscal charges	-	-	-	-	-	163,492	163,492
Total expenditures	2,097,318	1,460,613	2,020,505	188,623	-	663,492	6,430,551
REVENUES OVER (UNDER) EXPENDITURES	1,958,177	(619,057)	(1,305,889)	598,159	43	(535,591)	95,842
<b>OTHER FINANCING SOURCES (USES)</b>							
Payments to Transportation Development District	(428,205)	-	-	-	-	-	(428,205)
The Prairie and Industrial Revenue Bonds prefunding	112,811	-	-	-	-	-	112,811
Bond issuance costs	(91,061)	-	-	-	-	-	(91,061)
Transfers in	-	1,102,662	1,742,556	-	-	544,938	3,390,156
Transfers out	(1,153,236)	-	-	(326,691)	(1,910,229)	-	(3,390,156)
Total other financing sources (uses)	(1,559,691)	1,102,662	1,742,556	(326,691)	(1,910,229)	544,938	(406,455)
<b>CHANGE IN FUND BALANCE</b>	398,486	483,605	436,667	271,468	(1,910,186)	9,347	(310,613)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	4,928,733	562,827	750,280	384,028	1,910,186	386,704	8,922,758
<b>FUND BALANCES, END OF YEAR</b>	5,327,219	1,046,432	1,186,947	655,496	-	396,051	8,612,145



CITY OF DARDENNE PRAIRIE, MISSOURI  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE – MODIFIED CASH BASIS – GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2021

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

Change in fund balance	\$( 310,613)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$1,782,569 exceeded depreciation of \$987,879 in the current period.	794,690
In the statement of activities, only the gain or loss on the disposal of capital assets is reported, whereas in the governmental funds financial resources received are reflected as revenue. As a result, the change in net position differs from the change in fund balance by the net book value of the disposed or transferred capital assets.	( 24,865)
Expenses related to providing pension benefits are reported using a different measurement focus in the statement of activities compared to the governmental fund statements. Expenses in the statement of activities exceed the expenditures reported in the General Fund.	( 1,781)
The amortization of deferred refunding charges on bonds payable does not affect current financial resources to governmental funds but is amortized over the life of the debt in the statement of activities.	( 20,318)
The bond premium is reported on the fund financial statements when debt is issued but amortized in the statement of activities.	18,765
Repayment of long-term debt principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position.	<u>500,000</u>
Change in net position	<u>\$ 955,878</u>

CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Dardenne Prairie, Missouri, (the City) was incorporated as a fourth-class city on June 21, 2001 and established a Mayor/Board of Aldermen form of government. The City's major operations include general administrative services, road development and maintenance and park development and management.

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's governing body or because the component unit will provide a financial benefit or impose a financial burden on the City. Based on the criteria identified in GASB 61 there are no significant component units required to be included as part of the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position – modified cash basis and the statement of activities – modified cash basis. These statements report information on all of the nonfiduciary activities of the primary government and its component units. The material effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish *governmental activities*, which normally are supported by taxes and City general revenues, from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The City has no business-type activities.

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

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The City has no fiduciary funds.

The City reports the following major governmental funds:

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

Special Revenue Fund – is used to account for certain tax and intergovernmental revenues legally restricted to expenditures for road improvements.



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Parks and Storm Water Control Fund – is used to account for certain taxes restricted for parks and recreation and storm water control expenditures.

Capital Improvement Fund – is used to account for certain taxes restricted for funding of capital improvements.

Capital Projects Fund – is used to account for bond proceeds used to construct a new athletic complex.

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

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

In the government-wide statement of net position – modified cash basis and the statement of activities – modified cash basis, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

In the fund financial statements, the governmental funds utilize a “current financial resources” measurement focus as applied to the modified cash basis of accounting. Only current financial assets and liabilities are generally included on the balance sheet – modified cash basis. The operating statements present sources and uses of available spendable financial resources during a given period. Fund balances are used as measures of available spendable financial resources at the end of the period in each fund.

The modified cash basis recognizes assets, liabilities, net position, revenues, and expenses when they result from cash transactions with a provision of depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. As a result of the use of this modified cash basis of accounting, certain revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid and accrued expenses and liabilities) are not recorded in these financial statements.

If the City utilized the basis of accounting recognized as U.S. generally accepted accounting principles, the fund financial statements for the governmental funds would use the modified accrual basis of accounting. All government-wide statements would be presented on the accrual basis of accounting.

D. INVESTMENTS

The City uses the modified cash basis of accounting; therefore, investments are recorded at cost, net of amortized discount or premium.

E. CAPITAL ASSETS, DEPRECIATION AND AMORTIZATION

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The City elected not to report general infrastructure assets retroactively. Therefore, no general infrastructure assets purchased or constructed prior to January 1, 2004 are included in the statement of net position – modified cash basis.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, equipment and infrastructure of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15-40
Buildings and building improvements	10-40
Infrastructure	30-40
Vehicles and equipment	3-20

F. 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 – modified cash basis. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well 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.

G. PROPERTY TAXES

Property tax revenues are recorded when received. The City's property taxes are levied each September based on the assessed value at January 1 for all real and personal property located in the City. The City's property tax rate for 2021 was \$.0969 per \$100 of assessed valuation, all of which was allocated to the general fund. Taxes are due and payable on November 1 and delinquent after December 31.

All property tax assessment, billing, and collection functions are handled by the St. Charles County Collector. Taxes collected are remitted to the City by the St. Charles County Collector in the month following the actual collection date. The City records the taxes when remittances are received.

CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. EQUITY CLASSIFICATIONS

Government-Wide Statements

The government-wide financial statements utilize a net position presentation. Net position is displayed as three components:

- *Net investment in capital assets* represents capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. Also included in the calculation are related bond premiums and discounts and the deferred outflows or inflows of resources on refunding of bonds.
- *Restricted net position* consists of net position with constraints placed on their use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) through constitutional law provisions or enabling legislation. \$3,565,738 of the net position at December 31, 2021 is restricted by enabling legislation.
- *Unrestricted net position* represents the net position available for future operations.

It is the City's policy to use restricted resources before unrestricted resources.

Fund Statements

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

*Nonspendable fund balance* classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance* – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Aldermen – the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the Board of Aldermen removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

*Assigned fund balance* – This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes but are neither restricted nor committed. The City's Board of Aldermen has the authority to assign amounts to be used for specific purposes. Assigned fund balance include all remaining amounts (except negative balances) that are reported in the governmental funds, other than the General Fund, which are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance* – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

I. PENSIONS

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

J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports Deferred Outflows/Inflows of Resources as follows:

**Pension** – Deferred outflows and inflows of resources related to pensions represents the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the difference between expected and actual plan experience.

K. USE OF ESTIMATES

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



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS

**Cash and cash equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

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

At December 31, 2021, all cash and cash equivalents were insured or collateralized with securities held by its agent in the City's name.

**Investments**

The City is authorized to invest funds not immediately needed for the purposes to which the funds are applicable, in obligations of the United States treasury and agency securities, FDIC repurchase agreements and certificates of deposit, banker's acceptances, and commercial paper.

Custodial Credit Risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investments are subject to custodial credit risk because they are uninsured, unregulated, and held by the counterpart's trust department or agent but not in the City's name. The City's investment policy addresses this risk with a requirement that only allows purchases of investments through broker/dealer or institution, in addition, the portfolio will be diversified so that potential losses on individual securities will be minimized.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City structures the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and investing operating funds primarily in shorter-term securities.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City addresses concentration of credit risk by establishing and periodically reviewing a diversification strategy. At a minimum, diversification standards by security type and issuer shall be:

U.S. treasuries and securities having principal and/or interest guaranteed by the U.S. government ... 100%

Collateralized time and demand deposits ... 100%

U.S. Government agencies and government sponsored enterprises no more than 60%

Collateralized repurchase agreement no more than 50%

U.S. Government agency callable securities no more than 30%

CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 2: CASH, CASH EQUIVALENTS AND INVESTMENTS, continued

The following investments were held at December 31, 2021:

<u>Investment</u>	<u>Cost</u>	<u>Maturity</u>
Certificates of deposit bearing interest at 2.65% to 2.85%	<u>\$ 2,238,596</u>	February 2022

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,213,632	\$ -	\$ -	\$ 3,213,632
Construction in progress	<u>1,799,991</u>	<u>136,570</u>	<u>( 1,487,842)</u>	<u>448,719</u>
Total capital assets, not being depreciated	<u>5,013,623</u>	<u>136,570</u>	<u>(1,487,842)</u>	<u>3,662,351</u>
Capital assets being depreciated:				
Land improvements	2,084,942	2,206,515	-	4,291,457
Buildings and improvements	3,302,198	394,967	( 35,000)	3,662,165
Equipment	570,288	33,754	-	604,042
Infrastructure	<u>23,831,107</u>	<u>498,595</u>	<u>-</u>	<u>24,329,702</u>
Total capital assets being depreciated	<u>29,788,535</u>	<u>3,133,831</u>	<u>( 35,000)</u>	<u>32,887,366</u>
Less accumulated depreciation for:				
Land improvements	( 508,524)	( 72,011)	-	( 580,535)
Buildings and improvements	( 951,606)	( 92,868)	10,135	( 1,034,339)
Equipment	( 491,675)	( 34,244)	-	( 525,919)
Infrastructure	<u>( 7,449,765)</u>	<u>( 788,756)</u>	<u>-</u>	<u>( 8,238,521)</u>
Total accumulated depreciation	<u>( 9,401,570)</u>	<u>( 987,879)</u>	<u>10,135</u>	<u>( 10,379,314)</u>
Total capital assets being depreciated, net	<u>20,386,965</u>	<u>2,145,952</u>	<u>( 24,865)</u>	<u>22,508,052</u>
Total capital assets, net	<u>\$ 25,400,588</u>	<u>\$ 2,282,522</u>	<u>\$ ( 1,512,707)</u>	<u>\$ 26,170,403</u>

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

Governmental activities:

General government	\$ 88,293
Park	120,023
Infrastructure	<u>779,563</u>
Total depreciation expense	<u>\$ 987,879</u>



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4: LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ending December 31, 2021:

	<u>Balance</u> <u>12-31-20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12-31-21</u>	<u>Amount</u> <u>Due Within</u> <u>One Year</u>
Governmental activities:					
Certificates of Participation, Series 2020; variable Interest rates 2% to 4%	\$ 3,000,000	\$ -	\$ 135,000	\$ 2,865,000	\$ 160,000
Issuance premium	219,102	-	7,573	211,529	13,640
Certificates of Participation, Series 2016; variable interest rates 2% to 3%	1,915,000	-	255,000	1,660,000	255,000
Issuance premium	17,924	-	3,740	14,184	3,740
Neighborhood Improvement District 2012 Refunding Bonds; variable Interest rates 2.15% to 2.75%	435,000	-	110,000	325,000	110,000
Issuance premium	<u>54,654</u>	<u>-</u>	<u>7,452</u>	<u>47,202</u>	<u>7,452</u>
Total direct borrowings	<u>\$ 5,641,680</u>	<u>\$ -</u>	<u>\$ 518,765</u>	<u>\$ 5,122,915</u>	<u>\$ 549,832</u>

**Certificates of Participation, (COPS 2020) Series 2020**

On May 28, 2020, the City issued \$3,000,000 of Certificates of Participation, Series 2020. The proceeds were used for the purpose of providing funds (1) to pay a portion of the costs to acquire, construct, renovate, install, improve, and equip certain park and recreational facility improvements within the City and (2) to pay the costs of executing and delivering the Series 2020 Certificates.

**Certificates of Participation, (COPS) Series 2016**

On May 17, 2016, the City issued \$3,070,000 of Certificates of Participation, Series 2016. The proceeds were used to refund \$3,050,000 of outstanding Series 2008 and Series 2009 Certificates of Participation and to pay the costs of issuing the Series 2016 Certificates of Participation. The net proceeds (after payment of underwriting fees and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result, the old debt is considered to be defeased and the liability for these debt issues has been removed from the City's financial statements. The City decreased its aggregated debt service payments by \$529,827 over 13 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$216,945.



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 4: LONG-TERM DEBT, continued

**Neighborhood Improvement District (NID) Limited General Obligation Bonds**

During 2012, the City authorized the issuance of \$1,240,000 Neighborhood Improvement District Limited General Obligations Refunding Bonds for the purpose of providing funds to (a) refund the Series 2005 Bonds, (b) fund a debt service reserve fund to secure the 2012 Bonds, and (c) pay the cost of issuance of the 2012 Bonds. The net proceeds (after payment of underwriting fees and other issuance costs) were used to purchase securities for deposit in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old debt. As a result, the old debt is considered to be defeased and the liability for this debt issue has been removed from the City's financial statements. The City decreased its aggregated debt service payments by \$282,099 over 12 years which resulted in an economic gain (difference between the present values of the old and new debt service payments) of \$228,826.

The annual principal and interest requirements to maturity of long-term debt as of December 31, 2021 are as follows:

Year Ending December 31	COPS, Series 2020		COPS, Series 2016		NID		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 160,000	\$ 91,100	\$ 255,000	\$ 36,450	\$ 110,000	\$ 5,687	\$ 658,237
2023	165,000	84,700	265,000	31,350	115,000	3,300	664,350
2024	175,000	78,100	265,000	26,050	100,000	1,075	645,225
2025	180,000	71,100	270,000	20,750	-	-	541,850
2026	185,000	63,900	275,000	15,350	-	-	539,250
2027-2031	1,050,000	201,700	330,000	9,825	-	-	1,591,525
2032-2035	950,000	29,000	-	-	-	-	979,000
	<u>\$ 2,865,000</u>	<u>\$ 619,600</u>	<u>\$ 1,660,000</u>	<u>\$ 139,775</u>	<u>\$ 325,000</u>	<u>\$ 10,062</u>	<u>\$ 5,619,437</u>

The park sales tax deposited into the Parks and Storm Water Control Fund is used to pay the Certificates of Participation, Series 2020 obligations.

The capital improvement sales tax deposited in the Capital Improvement Fund is the source used to pay the Certificates of Participation, Series 2016 obligations.

The NID Debt Service Fund funded by NID assessments is used to pay the NID bond obligation.

NOTE 5: EMPLOYEE RETIREMENT PLAN

**Plan description**

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

CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 5: EMPLOYEE RETIREMENT PLAN, continued

**Benefits provided**

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

2021 Valuation

Benefit Multiplier:	1.50% for life
Final Average Salary:	3 Years
Member Contributions:	0%
Rule of 80 adopted	Yes

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

**Employees covered by benefit terms**

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	3
Active employees	<u>9</u>
Total	<u>15</u>

**Contributions**

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees do not contribute to the pension plan. The employer contribution rate was 11.6% of annual covered payroll for the year ended June 30, 2021.

**Net Pension Liability**

The employer's net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2021.



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 5: EMPLOYEE RETIREMENT PLAN, continued

**Actuarial assumptions**

The total pension liability in the February 28, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Actuarial assumptions used in the February 29, 2020 actuarial valuation were different as follows:

Inflation	3.25% wage inflation; 2.5% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

Mortality rates used for the 2020 actuarial valuation were based on different mortality tables.

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

<u>Asset</u>	<u>Target Allocation</u>	<u>Weighted Average Long-term Expected Real Rate of Return</u>
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash/Leverage	(25.00%)	(.29%)



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 5: EMPLOYEE RETIREMENT PLAN, continued

**Discount Rate**

The discount rate used to measure the total pension liability is 7.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the long-term municipal bond rate is 1.92% (based on the weekly rate closest to but not later than the measurement date of the "20 Year Municipal GO AA Index" rate from Fidelity); and the resulting single discount rate is 7.00%.

**Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) – (b)
Balance at 6/30/2020	\$ 888,803	\$ 825,608	\$ 63,195
Changes for the year:			
Service Cost	48,958	-	48,958
Interest		65,592	-
65,592			
Changes in benefit terms	26,761	-	26,761
Difference between expected and actual experience	4,094	-	4,094
Change of assumptions	( 19,929)	-	( 19,929)
Contributions – employer	-	67,655	( 67,655)
Net investment income	-	230,791	( 230,791)
Benefit payments, including refunds	( 16,556)	( 16,556)	-
Administrative expense	-	( 1,336)	1,336
Other (Net transfer)	-	( 3,549)	3,549
Net changes	<u>108,920</u>	<u>277,005</u>	<u>( 168,085)</u>
Balance at 6/30/2021	<u>\$ 997,723</u>	<u>\$1,102,613</u>	<u>\$ ( 104,890)</u>

**Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the employer, calculated using the discount rate of 7.00%, as well as what the employer's net pension liability would be using a discount rate that is 1 percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	\$ 1,145,730	\$ 997,723	\$ 875,192
Plan Fiduciary Net Position	<u>1,102,613</u>	<u>1,102,613</u>	<u>1,102,613</u>
Net Pension Liability/(Asset)	<u>\$ 43,117</u>	<u>\$ ( 104,890)</u>	<u>\$ ( 227,421)</u>

**Pension Expense**

Pension expense included in the 2021 modified cash basis financial statements totaled \$65,878.

CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 5: EMPLOYEE RETIREMENT PLAN, continued

**Deferred Outflows of Resources and Deferred Inflows of Resources to be Recognized in Future Pension Expense**

	<u>Outflows</u>	<u>Inflows</u>	<u>Net Outflows</u>
Differences between expected and actual experience	\$ 30,267	\$( 627)	\$ 29,640
Change in assumptions	-	( 15,669)	( 15,669)
Net difference between projected and actual earnings on pension plan investments	-	( 110,794)	( 110,794)
Employer contributions subsequent to the measurement date	<u>26,730</u>	<u>-</u>	<u>26,730</u>
Total	<u>\$ 56,997</u>	<u>\$( 127,090)</u>	<u>\$( 70,093)</u>

The amount reported as deferred outflows resulting from employer contributions subsequent to the measurement date will be recognized as a reduction in the liability for the year ending December 31, 2021.

**Deferred outflows and inflows of resources by year to be recognized in future pension expense as follows:**

For The Years Ending June 30	
2022	( 18,866)
2023	( 16,266)
2024	( 25,540)
2025	( 36,151)
Total	<u>\$( 96,823)</u>

NOTE 6: INTERFUND TRANSFERS IN (OUT)

During 2021, the City made the following transfers:

	<u>General</u>	<u>Road</u>	<u>Park</u>	<u>Capital Improvement</u>	<u>Capital Project</u>	<u>Debt Service</u>
Road improvements	\$(1,102,665)	\$ 1,102,665	\$ -	\$ -	\$ -	\$ -
Park improvements	( 50,762)	-	1,990,731	( 29,740)	(1,910,229)	-
Debt service on 2020 certificates of participation	-	-	( 248,388)	-	-	248,388
Debt service on 2016 certificates of participation	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 296,550)</u>	<u>-</u>	<u>296,550</u>
	<u>\$(1,153,427)</u>	<u>\$ 1,102,665</u>	<u>\$ 1,742,343</u>	<u>\$( 326,290)</u>	<u>\$(1,910,229)</u>	<u>\$ 544,938</u>

NOTE 7: COURT FINES

Total court fines revenue of \$100,434 represent 3.75% of general operating revenues.



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 8: OPERATING LEASES AS LESSOR

Approximately 5,000 square feet of space on the second floor is available for lease. This includes approximately 3,000 square feet of actual office space and approximately 2,000 square feet of shared common area. The following is a schedule of future minimum lease payments receivable for the next five fiscal year's pursuant to executed leases in place at December 31, 2021:

2022	<u>\$ 42,453</u>
2023	<u>\$ 19,392</u>
2024	<u>\$ 17,860</u>
2025	<u>\$ 17,860</u>
2026	<u>\$ 14,883</u>

NOTE 9: JOINT VENTURE

Pursuant to a March 1, 2005 Transportation Development Agreement between the City and OPUS Northwest LLC (developer), a commercial real estate development known as Dardenne Town Square, significant State of Missouri roadway and infrastructure improvements and significant City roadway improvements were constructed. A transportation development district (TDD) was created to provide funding for the roadway and infrastructure improvements. The City agreed to contribute 50% of the city sales tax received from business and other activities on the property within the TDD. This amount equaled ½ of 1% of all retail sales within the TDD through March 31, 2008.

During 2008, the City received \$3,000,000 from the State of Missouri as additional funding for the TDD City roadway improvements. As a result, effective April 1, 2008, in lieu of remitting the \$3,000,000 to the TDD, the City elected to increase its monthly contribution to the TDD to 59.5% of the city sales tax generated within the TDD. Amounts remitted to the TDD during 2021 totaled \$428,205.

NOTE 10: COMMITMENTS

CARES Act and American Rescue Plan Act (ARPA)

During 2021 the City received funds pursuant to the CARES Act and the American Rescue Plan Act totaling \$29,736 and \$1,346,718, respectfully. At December 31, 2021, \$1,346,748 has not been spent and is included as restricted cash in the financial statements. In accordance with ARPA provisions, these funds must be obligated to eligible costs by December 31, 2024 and spent by December 31, 2026.

Deposits Held by St. Charles County

At December 31, 2021 deposits were held at St. Charles County totaling \$338,124. The City has committed to make four quarterly payments of \$458,971 each during 2022 beginning January 2022 to fund planned road improvements to be completed by St. Charles County on behalf of the City.

Capital Improvements

At December 31, 2021, the City had commitments totaling \$2,352,453 remaining under certain road repairs and improvements construction contracts.

Compensated Absences

The financial statements are prepared on the modified cash basis of accounting. As a result, the financial statements do not include a liability for unpaid accrued vacation approximating \$20,777.



CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 11: TAX ABATEMENTS

As of December 31, 2021, the City provides tax abatements as follows:

Real Property Tax Abatement

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

For the year ended December 31, 2021, the City abated property taxes of the Dardenne Prairie Redevelopment Project of 100% totaling \$162,180 under this program.

Industrial Development Bonds Program

The City is authorized to issue Industrial Development Bonds (also referred to as "Chapter 100 Bonds") under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended. The bonds finance industrial development projects for private financed corporations, partnerships and individuals (the "recipient"). The recipient conveys to the City fee simple title to the site, improvements, and/or equipment related to the industrial development project. At the same time, the City will lease the site, improvements, and/or equipment back to the recipient pursuant to a lease agreement. The lease agreement requires the recipient to use the proceeds of the bonds to purchase and construct the project or equipment. The recipient is obligated to make lease payments in amounts that are sufficient to pay the principle and interest on the bonds as they become due. Thus, the City acts as a conduit for the financing. Because the City has ownership of the project, no real and/or personal property taxes are owed. If the City determines that partial tax abatement is desirable, the recipient makes payments in lieu of taxes to the City, which are distributed to the City and other taxing jurisdictions in the same manner and proportion as property taxes would otherwise be distributed under Missouri law. The amount of the payment in lieu of tax can be a specific dollar amount, a percentage of the tax that would otherwise be owed based on assessed value, and/or a reduced assessed value. At times, the City requires recipients to make commitments related to maintaining or creating jobs. If commitments are not met, penalty payments are made by the recipient to the City.

During 2021, as part of the issuance of \$36,000,000, City of Dardenne Prairie, Missouri Taxable Industrial Revenue Bond Series 1B, the City agreed to lease certain land to Dardenne Luxury Apartments on the Prairie, LLC (Company). The Company simultaneously purchased the bonds. The bonds were issued for the purpose of acquiring, constructing and equipping a certain Company project within the City of Dardenne Prairie, Missouri. The Company unconditionally and absolutely is obligated to perform all its obligations under the lease which provides the funding for the debt service on the outstanding bonds which totaled \$92,811 at December 31, 2021.

The Company remitted \$112,811 to the City pursuant to certain agreements to provide resources for bond issuance costs incurred by the City.

The City has no financial obligation beyond the resources provided by the related lease.

CITY OF DARDENE PRAIRIE, MISSOURI  
NOTES TO FINANCIAL STATEMENTS

NOTE 12: RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for all risks of loss.

There was no significant reductions in insurance coverage during 2021 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

NOTE 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.

The Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the City. The Statements which might impact the City are as follows:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this statement is to provide a single method reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.
- GASB Statement 94, *Public-Private and Public-Private Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to these arrangements. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

NOTE 14: SUBSEQUENT EVENTS

Management Review

Subsequent events have been evaluated through June 23, 2022, which is the date the financial statements were available to be issued.



## CITY OF DARDENNE PRAIRIE, MISSOURI

## OTHER INFORMATION

## GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)

YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual (Budget Basis)	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Property tax	324,013	324,013	346,199	22,186
Sales and use tax	1,210,000	1,327,200	1,327,192	(8)
CARES Act funding	-	-	29,736	29,736
American Rescue Plan Act funding	-	1,346,718	1,346,718	-
Licenses and permits	245,170	516,170	550,031	33,861
Court fines	130,000	110,000	100,434	(9,566)
Charges for services	91,700	116,350	107,094	(9,256)
Franchise fees	122,000	122,000	121,219	(781)
Investment income	70,000	70,020	66,371	(3,649)
Lease income	56,000	56,000	56,788	788
Other income	11,200	33,200	3,713	(29,487)
Total revenues	2,260,083	4,021,671	4,055,495	33,824
<b>EXPENDITURES</b>				
Current expenditures:				
General government	1,287,555	1,225,105	1,173,428	51,677
Public safety	325,279	325,279	325,779	(500)
Capital outlay	208,600	622,650	598,111	24,539
Total expenditures	1,821,434	2,173,034	2,097,318	75,716
REVENUES OVER EXPENDITURES	438,649	1,848,637	1,958,177	109,540
<b>OTHER FINANCING SOURCES (USES)</b>				
Payments to Transportation				
Development District	(396,000)	(396,000)	(428,205)	(32,205)
The Prairie and Industrial Revenue Bonds prefunding	-	113,000	112,811	(189)
Industrial Revenue Bonds issuance costs	-	(92,811)	(91,061)	1,750
Transfers out	-	-	(1,153,236)	(1,153,236)
Total other financing sources (uses)	(396,000)	(375,811)	(1,559,691)	(1,183,880)
CHANGE IN FUND BALANCE	42,649	1,472,826	398,486	(1,074,340)
FUND BALANCE, BEGINNING OF YEAR	4,928,733	4,928,733	4,928,733	-
FUND BALANCE, END OF YEAR	4,971,382	6,401,559	5,327,219	(1,074,340)

CITY OF DARDENNE PRAIRIE, MISSOURI  
OTHER INFORMATION  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual (Budget Basis)	Favorable (Unfavorable) Variance
REVENUES				
Taxes	730,000	780,000	831,251	51,251
Intergovernmental	1,385,257	10,068	10,069	1
Investment income	300	300	236	(64)
Total revenues	2,115,557	790,368	841,556	51,188
EXPENDITURES				
Capital outlay:				
Road improvements	3,000,031	1,485,300	1,460,613	24,687
Total expenditures	3,000,031	1,485,300	1,460,613	24,687
OTHER FINANCING SOURCES				
Transfers in	-	-	1,102,662	1,102,662
Total other financing sources	-	-	1,102,662	1,102,662
CHANGE IN FUND BALANCE	(884,474)	(694,932)	483,605	1,178,537
FUND BALANCE, BEGINNING OF YEAR	562,827	562,827	562,827	-
FUND BALANCE, END OF YEAR	(321,647)	(132,105)	1,046,432	1,178,537



CITY OF DARDENNE PRAIRIE, MISSOURI  
OTHER INFORMATION  
PARKS AND STORM WATER CONTROL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual (Budget Basis)	Favorable (Unfavorable) Variance
REVENUES				
Taxes	649,000	714,200	714,141	(59)
Investment income	1,000	500	475	(25)
Total revenues	650,000	714,700	714,616	(84)
EXPENDITURES				
Current expenditures:				
Park	458,680	410,380	420,707	(10,327)
Capital outlay	577,275	1,596,539	1,599,798	(3,259)
Total expenditures	1,035,955	2,006,919	2,020,505	(13,586)
REVENUES OVER (UNDER) EXPENDITURES	(385,955)	(1,292,219)	(1,305,889)	(13,670)
OTHER FINANCING SOURCES				
Transfers in	-	-	1,742,556	1,742,556
Total other financing sources	-	-	1,742,556	1,742,556
CHANGE IN FUND BALANCE	(385,955)	(1,292,219)	436,667	1,728,886
FUND BALANCE, BEGINNING OF YEAR	750,280	750,280	750,280	-
FUND BALANCE, END OF YEAR	364,325	(541,939)	1,186,947	1,728,886

CITY OF DARDENNE PRAIRIE, MISSOURI  
OTHER INFORMATION  
CAPITAL IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual (Budget Basis)	Favorable (Unfavorable) Variance
REVENUES				
Taxes	605,000	667,100	667,086	(14)
Intergovernmental	145,455	119,524	119,525	1
Investment income	350	350	171	(179)
Total revenues	750,805	786,974	786,782	(192)
EXPENDITURES				
Capital outlay	593,790	200,710	188,623	12,087
Total expenditures	593,790	200,710	188,623	12,087
REVENUES OVER EXPENDITURES	157,015	586,264	598,159	11,895
OTHER FINANCING (USES)				
Transfers (out)	-	-	(326,691)	(326,691)
Total other financing (uses)	-	-	(326,691)	(326,691)
CHANGE IN FUND BALANCE	157,015	586,264	271,468	(314,796)
FUND BALANCE, BEGINNING OF YEAR	384,028	384,028	384,028	-
FUND BALANCE, END OF YEAR	541,043	970,292	655,496	(314,796)



CITY OF DARDENNE PRAIRIE, MISSOURI  
OTHER INFORMATION  
CAPITAL PROJECT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
(BUDGET BASIS)  
YEAR ENDED DECEMBER 31, 2021

	Original Budget	Final Budget	Actual (Budget Basis)	Favorable (Unfavorable) Variance
REVENUES				
Taxes	-	-	-	-
Intergovernmental revenue	-	-	-	-
Investment income	-	-	43	43
Total revenues	-	-	43	43
EXPENDITURES				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES (UNDER) EXPENDITURES	-	-	43	43
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,910,186)	(1,910,186)	(1,910,229)	(43)
CHANGE IN FUND BALANCE	(1,910,186)	(1,910,186)	(1,910,186)	-
FUND BALANCE, BEGINNING OF YEAR	1,910,186	1,910,186	1,910,186	-
FUND BALANCE, END OF YEAR	-	-	-	-

CITY OF DARDENNE PRAIRIE, MISSOURI  
NOTES TO BUDGETARY SUPPLEMENTARY SCHEDULES  
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1: BUDGET POLICY AND PRACTICE

The City's policy is to adopt annual budgets for all funds in accordance with the modified cash basis of accounting. All budget appropriations lapse at year-end. The City follows these procedures establishing its annual budgets as reflected in the financial statements.

1. Prior to October each year, the City Administrator requests input from the Mayor, board and staff. This information is used to prepare the annual operating budget for the fiscal year commencing January 1 which is submitted to the Board of Aldermen for consideration. The operating budget submitted for consideration includes proposed expenditures and the means of financing them.
2. Prior to December 31, the budget is legally adopted and enacted through passage of an ordinance.
3. Formal budgetary integration is employed as a management control device during the year at the fund level.
4. Budgeted amounts included in the financial statements are as originally adopted or as subsequently amended by the Board of Aldermen.
5. All appropriations not legally spent at year-end lapse.

NOTE 2: EXPENDITURES EXCEEDING BUDGET APPROPRIATIONS

Expenditures exceeded budgetary appropriations in the Parks and Storm Water Control Fund for the year-ended December 31, 2021 by \$13,586.



CITY OF DARDENNE PRAIRIE MISSOURI  
OTHER INFORMATION  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	2020 Certificates of Participation Debt Service Fund	2016 Certificates of Participation Debt Service Fund	Neighborhood Improvement District Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS:				
Cash and cash equivalents	-	-	396,051	396,051
TOTAL ASSETS	-	-	396,051	396,051
LIABILITIES AND FUND BALANCE				
FUND BALANCES				
Committed	-	-	396,051	396,051
TOTAL FUND BALANCES	-	-	396,051	396,051
TOTAL LIABILITIES AND FUND BALANCES	-	-	396,051	396,051

CITY OF DARDENNE, MISSOURI  
OTHER INFORMATION  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED  
CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	2020 Certificates of Participation Debt Service Fund	2016 Certificates of Participation Debt Service Fund	Neighborhood Improvement District Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Investment income	-	-	107	107
Other revenue	-	-	127,794	127,794
Total revenues	-	-	127,901	127,901
EXPENDITURES				
Debt service				
Bond principal payments	135,000	255,000	110,000	500,000
Interest and fiscal charges	113,388	41,550	8,554	163,492
Total expenditures	248,388	296,550	118,554	663,492
REVENUES OVER (UNDER) EXPENDITURES	(248,388)	(296,550)	9,347	(535,591)
OTHER FINANCING SOURCES				
Transfers In	248,388	296,550	-	544,938
Total other financing sources	248,388	296,550	-	544,938
NET CHANGE IN FUND BALANCE	-	-	9,347	9,347
FUND BALANCES, BEGINNING OF YEAR	-	-	386,704	386,704
FUND BALANCES, END OF YEAR	-	-	396,051	396,051



CITY OF CITY OF DARDENNE PRAIRIE, MISSOURI  
OTHER INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS  
LAST TEN FISCAL YEARS

For the Year Ending December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined pension contribution Contribution in relation to the actuarially determined contribution	62471	62,020	47,794	42,695	41,489	31,571	35,964	38,729	40,879
	62471	62,020	47,794	42,695	41,489	31,571	35,964	38,729	40,879
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-	-
Covered Payroll	514252	558,739	446,672	410,529	419,077	343,166	336,116	352,081	385,653
Covered Payroll Contributions as a Percentage of Covered Payroll	12.15%	11.10%	10.70%	10.40%	9.90%	9.20%	10.70%	11.00%	10.60%

Notes to schedule:

Valuation date: February 28, 2021

The roll-forward of total pension liability from February 29, 2021 to June 30, 2021 reflects expected service cost and interest reduced by actual benefit payments.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	A level percentage of payroll amortization method is used to amortize the UAAL over a closed period of years. If the UAAL (excluding the UAAL associated with benefit changes) is negative, then this amount is amortized over the greater of (i) the remaining initial amortization period or (ii) 15 years.
Remaining amortization period	Multiple bases from 9 to 19 years
Asset valuation method	5 year smoothed market; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% to 6.75% including wage inflation
Investment rate of return	7.00%, net of investment expenses
Retirement age	The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 115% of the PubG-2010 Retire Mortality Table for males and females. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowance to be paid were 115% of the PubNS-2010 Disabled Retiree Mortality Table for males and females. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table for males and females of General groups and 75% of the Pubs-2010 Employee Mortality Table for males and females of Police, Fire and Public Safety groups.
Mortality	

Mortality rates for a particular calendar year are determined by applying the MP-2000 mortality improvement scale to the above described tables.

CITY OF DARDENNE PRAIRIE, MISSOURI

OTHER INFORMATION

GENERAL DIVISION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED DECEMBER 31

ULTIMATELY 10 FISCAL YEARS WILL BE DISPLAYED

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service cost	48,958	39,303	39,179	38,819	32,818	30,543	37,268
Interest on the total pension liability	65,592	56,531	50,623	42,875	36,277	29,631	27,494
Changes in benefit terms	26,761	-	-	-	-	-	-
Difference between expected and actual experience	4,094	34,881	(1,416)	31,763	27,971	19,474	(30,739)
Change in assumptions	(19,929)	-	-	-	-	18,765	-
Benefit payments	(16,556)	(4,604)	(9,231)	(4,394)	(13,453)	(2,460)	(75)
Net Changes in Total Pension Liability	108,920	126,111	79,155	109,063	83,613	95,953	33,948
Total Pension Liability Beginning	888,803	762,692	683,537	574,474	490,861	394,908	360,960
Total Pension Liability, Ending (a)	997,723	888,803	762,692	683,537	574,474	490,861	394,908
Plan Fiduciary Net Position							
Contributions - employer	67,655	54,582	43,601	43,331	37,887	33,255	34,665
Contributions - employee	-	-	-	-	-	-	-
Net investment income(loss)	230,791	10,141	45,749	72,546	59,323	(1,444)	8,339
Benefit payments	(16,556)	(4,604)	(9,231)	(4,394)	(13,453)	(2,460)	(75)
Administrative expense	(1,336)	(1,614)	(1,450)	(1,025)	(1,012)	(926)	(932)
Other	(3,549)	(495)	(183)	(658)	(6,678)	(396)	21,964
Net Change in Plan Fiduciary Net Position	277,005	58,010	78,486	109,800	76,067	28,029	63,961
Plan Fiduciary Net Position Beginning	825,608	767,598	689,112	579,312	503,245	475,216	411,255
Plan Fiduciary Net Position Ending (b)	1,102,613	825,608	767,598	689,112	579,312	503,245	475,216
Net Pension Liability (Asset) Ending (a-b)	(104,890)	63,195	(4,906)	(5,575)	(4,838)	(12,384)	(80,308)
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	110.51%	92.89%	100.64%	100.82%	100.84%	102.52%	102.34%
Covered Payroll (for February 28 Actuarial Valuation)	573,366	502,701	390,544	422,077	389,497	304,762	300,631
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-18.29%	12.57%	-1.26%	-1.32%	-1.24%	-4.06%	-26.71%