

**City of Crestwood, Missouri**

**Financial Statements**

For The Year Ended December 31, 2021

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## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Board of Alderman  
City of Crestwood, Missouri

### Report on the Audit of the Financial Statements

#### Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Crestwood, Missouri, as of December 31, 2021, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

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

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

*Fick, Eggemeyer & Williamson*

Fick, Eggemeyer & Williamson, CPA  
Saint Louis, Missouri  
March 17, 2022

**City of Crestwood, Missouri**  
**Management's Discussion and Analysis**  
**December 31, 2021**

The discussion and analysis of the City of Crestwood, Missouri'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.

**Overview of the Financial Statements**

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

**Government-wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Crestwood, Missouri's finances, in a manner similar to a private-sector business. Please note that these government-wide financial statements exclude fiduciary fund activities.

The *statement of net position* presents information on all of the City of Crestwood'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 of Crestwood, Missouri 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 accrued vacation leave).

The Government-wide financial statements distinguish functions of the City of Crestwood, Missouri 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 of Crestwood, Missouri include general government, municipal court, police, fire, parks, and public works. The City does not have any business-type activities.

The government-wide financial statements include only the City of Crestwood, Missouri itself (known as the *primary government*), as the City does not have any component units to be included herein.

The government-wide financial statements can be found on pages 4 through 5 of this report.

## **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 of Crestwood, Missouri, 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 of Crestwood, Missouri are major governmental 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 expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental 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 of Crestwood, Missouri maintains four 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, Parks and Stormwater Fund, Sewer Lateral Fund, and Capital Improvement Fund, all of which are considered major funds.

The City of Crestwood, Missouri, adopts an annual appropriated budget for its General Fund, Parks and Stormwater Fund, Sewer Lateral Fund, and Capital Improvement Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental fund financial statements can be found on pages 6 through 9 of this report.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 10 through 26 of this report.

## Required Supplementary Information

In addition to the financial statements and notes to the financial statements, this report presents required supplementary information concerning the City's budgetary comparisons for the General, Parks and Stormwater, Sewer Lateral, pension trend information, and OPEB information.

The required supplementary information can be found on pages 27 through 35 of this report.

## Supplemental Information

The budgetary comparison schedule for the Capital Improvement fund can be found on page 36.

## Financial Analysis of the City as a whole

As noted earlier, the City of Crestwood, Missouri uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The City's net position was \$36,977,645 as of December 31, 2021. This analysis focuses on the net position and changes in revenues and expenses of the City's governmental activities.

### Statement of Net Position

	2021	2020	Increase (Decrease)
<b>Assets</b>			
Current and other assets	\$ 11,984,944	\$ 10,933,417	\$ 1,051,527
Noncurrent assets	33,862,280	26,313,128	7,549,152
Total assets	<u>45,847,224</u>	<u>37,246,545</u>	<u>8,600,679</u>
Deferred outflow of resources	<u>655,422</u>	<u>1,435,854</u>	<u>(780,432)</u>
<b>Liabilities</b>			
Current liabilities	514,669	906,785	(392,116)
Noncurrent liabilities	3,247,489	3,249,943	(2,454)
Total liabilities	<u>3,762,158</u>	<u>4,156,728</u>	<u>(394,570)</u>
Deferred inflow of resources	<u>5,762,843</u>	<u>1,025,260</u>	<u>4,737,583</u>
<b>Net position</b>			
Net investment in capital assets	21,825,783	19,935,719	1,890,064
Restricted	4,690,586	2,822,031	1,868,555
Unrestricted	10,461,276	10,742,661	(281,385)
Total net position	<u>\$ 36,977,645</u>	<u>\$ 33,500,411</u>	<u>\$ 3,477,234</u>

Governmental Activities increased the City's net position by \$3,477,234. The key elements of this decrease are as follows:

<b>Statement of Activities</b>			
	2021	2020	Increase (Decrease)
<b>Revenues</b>			
<b>Program revenues</b>			
Charges for services	\$ 1,770,065	\$ 1,345,753	\$ 424,312
Operating and capital grants	1,418,095	1,177,750	240,345
<b>General revenues</b>			
Taxes	11,364,314	10,464,331	899,983
Miscellaneous	2,371,708	615,311	1,756,397
Investment earnings	68,317	107,722	(39,405)
Total revenues	<u>16,992,499</u>	<u>13,710,867</u>	<u>3,281,632</u>
<b>Expenses</b>			
General government	1,500,035	2,059,443	(559,408)
Public works	3,301,124	3,062,475	238,649
Public safety - Police	3,299,107	3,579,764	(280,657)
Public safety - Fire	3,578,197	4,305,990	(727,793)
Parks and recreation	1,836,802	1,679,307	157,495
Total expenses	<u>13,515,265</u>	<u>14,686,979</u>	<u>(1,171,714)</u>
Change in net position	<u>\$ 3,477,234</u>	<u>\$ (976,112)</u>	<u>\$ 4,453,346</u>

### **Governmental Funds**

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

At the end of 2021 the unassigned fund balance of the general fund was \$5,879,086, while the total fund balance was \$11,140,705. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 54.4% of total general fund expenditures.

The fund balance in the City's general fund increased by \$822,531 or 12.1% from the prior year fund balance.

### **General Fund Budgetary Highlights**

The General Fund finished fiscal year 2021 with a surplus of \$822,531, which was better than the revised budgeted deficit of \$747,026. Overall revenue finished \$1,256,576 better than originally projected, and expenditures were \$69,923 less than originally projected.

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

The City, like many surrounding municipalities, has experienced the long-term impact of a declining economy, particularly in the Watson Road business corridor. While the economy has improved over the last couple of years, there are still challenges that the City faces, such as maintaining high public safety and service levels, while experiencing overall flat to declining revenue streams and a declining retail base.

The City had been working for several years to identify a successful project for the redevelopment of the former Crestwood Court mall site. In 2020, the City issued a request for redevelopment proposals, and eventually selected a development partnership between Dierberg's Markets and McBride Homes. Together, the developers propose to build a grocery store anchored commercial development and a residential development. Following significant due diligence, the City approved the use of various public financing tools. Through the use of these tools, the developers will fund and construct the project. As of the end of fiscal year 2021, the redevelopment project has been approved and the co-Developers are finalizing their development plans and seeking the necessary permits, with groundbreaking anticipated in the first half of 2022.

In 2021, the global economy continued to be impacted by the COVID-19 pandemic. Crestwood weathered the economic crisis. The City's economic base anchored by groceries and Sam's Club performed reasonably well during the pandemic. The City cut back on some capital expenditures, but was able to avoid layoffs of any full-time employees. Additionally, allocations of federal assistance via CARES Act and American Rescue Plan Act funds helped the City protect its financial position. Looking ahead to 2022, the COVID-19 pandemic has affected the global supply chain, as well as the labor market. Inflation is rising rapidly. It is anticipated that costs for goods, services, and labor will rise, putting stress on the City's financial position.

There are some potentially positive developments, progress has been made on the Mall redevelopment, which would yield revenue growth in the future; the City is asking voters to approve a ¼ cent sales tax increase to bolster fire services; St. Louis County is seeking voter approval of a use tax, which would result in revenue growth for the City as well. That said, none of these positive revenue developments is yet guaranteed.

Due to the uncertainty caused by COVID, as well as the as-yet unbuilt redevelopment of the Mall site and other potential revenue sources, the City will continue to conservatively forecast revenues (excluding grants) in all of its major Funds. Accordingly, General Fund revenues in 2022 are budgeted at \$12,041,272 and expenditures were estimated at \$12,936,523. This deficit of \$895,251 would result in a fund balance of \$7,074,791 at the end of 2022.

The 2022 Capital Improvement Fund budget envisioned revenues of \$1,110,537 along with \$2,758,965 of expenditures, yielding a deficit of \$1,648,428. This deficit would result in a fund balance of \$360,164 at the end of 2022.

The 2022 Park and Stormwater Fund budget estimated revenues of \$1,890,894 and operating expenditures of \$2,096,013 yielding a deficit of \$205,119. The estimated fund balance for the Park and Storm water Fund would be projected at \$777,558 at the end of 2022.

The 2022 Sewer Lateral Fund budget estimated revenues of \$138,700 and operating expenditures of \$135,184 yielding a surplus of \$3,516. The estimated fund balance for the Sewer Lateral Fund would be \$343,508 at the end of 2022.

The City will continue to focus on maintaining fund balances and being fiscally responsible with the assets of the City, while providing a high quality level of services to the citizens of the City of Crestwood, Missouri. Long term, the City plans to manage expenditures in order to achieve the goal of a balanced budget. Unfortunately, with this type of management, this may result in further deference of maintenance to the City's infrastructure and alterations to the City's long term capital plans. Therefore, the City will also continue exploring possible options to increase other revenue sources in order to provide adequate long term funding.

### **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 visit our website or contact the Finance Officer of the City of Crestwood, Missouri, One Detjen Drive, MO 63126.

## Basic Financial Statements

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

	Governmental Activities
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 8,239,925
Certificates of deposit	1,200,000
Taxes receivable	2,527,299
Other receivables	17,720
Total current assets	11,984,944
Noncurrent assets	
Net pension asset	12,036,497
Land and construction in progress	2,403,979
Capital assets, net of depreciation	19,421,804
Total noncurrent assets	33,862,280
<b>TOTAL ASSETS</b>	<b>\$ 45,847,224</b>
 <b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred amounts related to pension	\$ 655,422
 <b>LIABILITIES</b>	
Current liabilities	
Accounts payable and accrued liabilities	\$ 272,839
Salaries and benefits payable	202,556
Refundable deposits	39,274
Total current liabilities	514,669
Noncurrent liabilities	
Accrued compensated absences	376,232
Postemployment benefits other than pension liability	2,871,257
Total noncurrent liabilities	3,247,489
<b>TOTAL LIABILITIES</b>	<b>\$ 3,762,158</b>
 <b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred amounts related to pension	5,762,843
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>\$ 5,762,843</b>
 <b>NET POSITION</b>	
Net investment in capital assets	\$ 21,825,783
Restricted for:	
Capital projects	2,042,695
American Rescue Plan	1,193,965
Parks and stormwater	1,090,529
Sewer repairs	363,397
Unrestricted	10,461,276
<b>TOTAL NET POSITION</b>	<b>\$ 36,977,645</b>

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



CITY OF CRESTWOOD, MISSOURI  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

	Major Funds				Total Governmental Funds
	General Fund	Parks and Stormwater Fund	Sewer Lateral Fund	Capital Improvements Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,222,689	\$ 931,837	\$ 354,995	\$ 1,730,404	\$ 8,239,925
Certificates of deposit	1,000,000	-	-	200,000	1,200,000
Receivables					
Property taxes	1,127,042	-	26,680	-	1,153,722
Sales/use taxes	811,340	208,671	-	177,370	1,197,381
Utilities taxes and other	176,196	-	-	-	176,196
Other	17,685	35	-	-	17,720
Internal balances	121,170	-	-	-	121,170
Total assets	<u>\$ 8,476,122</u>	<u>\$ 1,140,543</u>	<u>\$ 381,675</u>	<u>\$ 2,107,774</u>	<u>\$ 12,106,114</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 265,878	\$ 6,961	\$ -	\$ -	\$ 272,839
Salaries and benefits payable	202,556	-	-	-	202,556
Refundable deposits	34,034	5,240	-	-	39,274
Internal balances	-	37,813	18,278	65,079	121,170
Total liabilities	<u>502,468</u>	<u>50,014</u>	<u>18,278</u>	<u>65,079</u>	<u>635,839</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	329,570	-	-	-	329,570
<b>FUND BALANCES</b>					
Unspendable	-	-	-	-	-
Restricted	1,193,965	1,090,529	363,397	2,042,695	4,690,586
Committed	-	-	-	-	-
Assigned	571,033	-	-	-	571,033
Unassigned	5,879,086	-	-	-	5,879,086
Total fund balances	<u>7,644,084</u>	<u>1,090,529</u>	<u>363,397</u>	<u>2,042,695</u>	<u>11,140,705</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 8,476,122</u>	<u>\$ 1,140,543</u>	<u>\$ 381,675</u>	<u>\$ 2,107,774</u>	<u>\$ 12,106,114</u>

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

CITY OF CRESTWOOD, MISSOURI  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2021

Total fund balance - governmental funds		\$ 11,140,705
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		21,825,783
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.		329,570
Certain amounts are not a use of financial resources and, therefore, are not reported in the governmental funds. These items consist of:		
Net pension asset	12,036,497	
Deferred outflows - pension related	655,422	
Deferred inflows - pension related	<u>(5,762,843)</u>	6,929,076
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. All liabilities both current and long-term are reported in the statement of net position.		
Accrued compensated absences	(376,232)	
Postemployment benefits other than pension liability	<u>(2,871,257)</u>	<u>(3,247,489)</u>
Net position of governmental activities		<u>\$ 36,977,645</u>

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

CITY OF CRESTWOOD, MISSOURI  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Major Funds				Total Governmental Funds
	General Fund	Parks and Stormwater Fund	Sewer Lateral Fund	Capital Improvements Fund	
Revenues:					
Taxes	\$ 9,080,272	\$ 1,263,524	\$ -	\$ 1,073,995	\$ 11,417,791
Licenses and permits	947,584	-	-	-	947,584
Fines and forfeitures	73,537	-	-	-	73,537
Grants	1,401,488	15,608	-	-	1,417,096
Charges for services	-	610,436	138,508	-	748,944
Investment income	29,890	4,431	1,769	7,960	44,050
Other income	100,940	96,596	-	19,200	216,736
<b>Total revenues</b>	<b>11,633,711</b>	<b>1,990,595</b>	<b>140,277</b>	<b>1,101,155</b>	<b>14,865,738</b>
Expenditures:					
Current					
General government	1,677,521	-	-	-	1,677,521
Public works	2,460,958	330,796	110,629	-	2,902,383
Public safety					
Police	3,176,903	-	-	-	3,176,903
Fire	3,495,798	-	-	-	3,495,798
Parks and recreation	-	1,443,697	-	-	1,443,697
Capital outlay	-	-	-	672,315	672,315
<b>Total expenditures</b>	<b>10,811,180</b>	<b>1,774,493</b>	<b>110,629</b>	<b>672,315</b>	<b>13,368,617</b>
Revenues over (under) expenditures	822,531	216,102	29,648	428,840	1,497,121
Fund balances - beginning	6,821,553	874,427	333,749	1,613,855	9,643,584
Fund balances - ending	<u>\$ 7,644,084</u>	<u>\$ 1,090,529</u>	<u>\$ 363,397</u>	<u>\$ 2,042,695</u>	<u>\$ 11,140,705</u>

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

CITY OF CRESTWOOD, MISSOURI  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds \$ 1,497,121

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

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.

Capital outlay	1,643,299	
Depreciation expense	<u>(1,792,401)</u>	(149,102)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Deferred revenue	<u>(53,478)</u>	(53,478)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued compensated absences	2,454	
Change in net pension asset	7,698,254	
Change in deferred outflows - pension related	(780,432)	
Change in deferred inflows - pension related	<u>(4,737,583)</u>	<u>2,182,693</u>

Change in net assets of governmental activities		<u><u>\$ 3,477,234</u></u>
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The notes to the financial statements are an integral part of this statement

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Crestwood, Missouri is a charter city governed by a mayor and an eight member Board of Aldermen.

The accounting and financial reporting policies of the City of Crestwood, Missouri (the City) conform to U.S. generally accepted accounting principles (GAAP) as applied to government entities. The following is a summary of the more significant policies.

Reporting Entity

The City defines its financial reporting entity in accordance with GASB Statements No. 14 and No. 39. The criteria for including a potential component unit within the reporting entity includes the governing body's ability to exercise financial accountability. Financial accountability includes control or dependence over budget adoption, taxing authority, funding, and appointment of the respective board. Based upon the application of these criteria, the City does not have any component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. As a general rule, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately as business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenues not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, although the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements of the City are organized into funds, each of which is considered a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures. The emphasis is placed on major funds. Each major fund is presented in a separate column while nonmajor funds, if applicable, are aggregated and presented in a single column. The City reports the following major governmental funds:

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except for those that are required to be accounted for in another fund.

The Park and Stormwater Fund is used to account for financial resources to be used for the operations of park and stormwater activities as well as the acquisition, construction, or maintenance of major capital items related to parks and stormwater projects.

The Sewer Lateral Fund is used to account for financial resources collected for sewer lateral repairs.

The Capital Improvement Fund is used to account for resources accumulated for the purchase of capital items.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the 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 measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

GASB 33 groups non-exchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed non-exchange revenues, government mandated non-exchange transactions, and voluntary non-exchange transactions.

The City recognizes assets derived from tax revenue transactions (such as sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred.

Resources received in advance are reported as deferred revenues until the period of the exchange.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The City recognizes assets from imposed non-exchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated uncollectible amounts, in the period for which the taxes are levied. Imposed non-exchange revenues also include permits and court fines and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as deferred revenues. Charges for services in the governmental funds, which are exchange transactions and are therefore not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

Cash, Cash Equivalents, and Certificates of Deposit

The City considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Missouri State Statute requires that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

Certificates of deposits held at banks with an original maturity in excess of three months are reported at cost and reported as certificates of deposit in the financial statements.

Allowance for Doubtful Accounts

Management believes there are no significant uncollectible receivables, therefore, no allowance for doubtful accounts has been recorded.

Prepaid Item

Payments made to vendors for services that will benefit periods beyond December 31, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

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 other interfund transactions are reported as transfers.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Capital Assets

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at original or estimated original cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with a cost of \$5,000 or more, as purchase and construction outlay occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed of, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

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

Buildings and other structures	40 years
Infrastructure	20-40 years
Improvements other than buildings	3-15 years
Machinery, equipment and vehicles	3-15 years

General infrastructure assets acquired after July 1, 2002, were recorded as capital assets and consist of the road network assets that were acquired or that received substantial improvements and are reported at historical cost. The costs of normal maintenance and repairs that do not add value to the assets or materially extend the assets' lives are not capitalized.

Compensated Absences

Under terms of the City's personnel policy, vacations accrue immediately after employment and employees are eligible for vacation time after six months employment with the City. Upon termination, the employee is entitled to payment for accrued vacation benefits and comp time. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination. The entire accrued benefit liability related to the City's compensated absences in the amount of \$376,232 has been recorded in the government-wide financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. This item is deferred amounts related to pension reported in the government-wide statement of net position. The deferred amounts related to pension are differences between expected and actual experience, net difference between projected and actual earnings on pension plan investments, and changes of assumptions.

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. The item, deferred amounts related to pension reported in the government-wide statement of net position. The deferred amounts related to pension are differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments, and changes of assumptions. These amounts are deferred and amortized over five years. Accordingly, the item, unavailable revenue, is reported only in the governmental fund's balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows.

Nonspendable – The portion of fund balance that is not in a spendable form or is required to be maintained intact.

Restricted – The portion of fund balance that is subject to external restrictions and constrained to specific purposes imposed by agreement, through constitutional provisions, or by enabling legislation.

Committed – The portion of fund balance with constraints or limitations by formal action of the Board of Aldermen, the highest level of decision-making authority.

Assigned – The portion of fund balance that the City intends to use for a specific purpose as determined by the applicable City officials to which the Board of Aldermen has designated authority.

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

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

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The City adopted a fund balance policy which established a minimum unrestricted reserve requirement goal of 45% at the end of any fiscal year. The reserve is calculated as the amount of available unrestricted reserves (committed, assigned, and unassigned fund balance categories) divided by the operating expenditures of the General Fund. \$5,879,086 of the ending fund balance at December 31, 2021 was classified as unrestricted reserves, which was 54% of expenditures.

Net Position

Net Position represents the difference between assets and liabilities. Net investment in capital assets represents the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

**NOTE 2 - PROPERTY TAXES**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 1 and payable by December 31. The county collects the property tax and remits it to the City.

The assessed valuation of the tangible real, personal taxable and state assessed railroad and utilities property for the calendar year 2021 for purposes of local taxation was \$347,196,398. The tax levy per \$100 of the assessed valuation of tangible taxable property for the calendar year 2021 for purposes of local taxation was:

	Real Estate		Personal
	Residential	Commercial	Property
General Fund	\$ 0.560	\$ 0.805	\$ 0.728

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

**NOTE 3 - DEPOSITS AND INVESTMENTS**

Missouri Statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 100% of the deposits not covered by insurance or corporate surety bonds.

Deposits - At year-end, the carrying amount of the City's deposits totaled \$9,439,925 and bank balances totaled \$9,524,049. At year-end, included in the total above, the City also had certificates of deposit with a total carrying amount, which approximates fair value, of \$1,200,000. These are shown as certificates of deposit due to their original maturity dates.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a policy for custodial credit risk that follows Missouri Statutes for deposits. The bank balance was covered by the FDIC in the amount of \$500,000; \$9,024,049 was covered by collateral pledged in the name of the City and held by the pledging bank's trust department or agent.

Investments

State statutes and City policy authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, time deposit certificates, and repurchase agreements. The City's investments are all categorized as: uninsured and unregistered for which the securities are held by the counter party's trust department or agent in the City's name.

Interest Rate Risk

The City minimizes the risk that the market values 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. Investments are limited to maturities of five years or less from the date of purchase. The weighted average of maturities should not exceed three years.

Custodial Credit Risk

For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City minimizes credit risk by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City does business and diversifying the portfolio so that potential losses on individual securities are minimized.

Concentration of Credit Risk

It is the City's policy to limit investments to the maximum percentages as follows:

U.S. Treasuries and securities having principal and/or interest guaranteed by the US government	100%
Collateralized time and demand deposits	100%
Collateralized repurchase agreements	50%

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

**NOTE 4 - INTERFUND RECEIVABLES/PAYABLES**

The composition of interfund balances as of December 31, 2021 is as follows:

	Net Interfund Receivable	Net Interfund Payable
General Fund	\$ 121,170	\$ -
Sewer Lateral Fund	-	18,278
Parks and Stormwater Fund	-	37,813
Capital Improvement Fund	-	65,079

The outstanding balances between funds result from the time lag between the dates that the reimbursable expenditures occur and the payments are made. The balances are expected to be repaid within one year.

**NOTE 5 - CAPITAL ASSETS**

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

	<u>Beginning</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u>
Land	\$ 1,908,702	\$ -	\$ -	\$ 1,908,702
Construction in Progress	130,464	1,171,063	806,250	495,277
Total capital assets not being depreciated	<u>2,039,166</u>	<u>1,171,063</u>	<u>806,250</u>	<u>2,403,979</u>
<i>Capital assets being depreciated:</i>				
Machinery and equipment	2,210,249	94,257	17,723	2,286,783
Infrastructure	11,819,630	136,673	-	11,956,303
Buildings and other structures	22,088,923	742,337	-	22,831,260
Vehicles	2,867,540	305,219	-	3,172,759
Total capital assets being depreciated	<u>38,986,342</u>	<u>1,278,486</u>	<u>17,723</u>	<u>40,247,105</u>
<i>Less accumulated depreciation for:</i>				
Machinery and equipment	1,436,468	169,982	17,723	1,588,727
Infrastructure	4,224,717	544,034	-	4,768,751
Buildings and other structures	11,634,854	776,267	-	12,411,121
Vehicles	1,754,584	302,118	-	2,056,702
Total accumulated depreciation	<u>19,050,623</u>	<u>1,792,401</u>	<u>17,723</u>	<u>20,825,301</u>
Total net capital assets being depreciated	<u>19,935,719</u>	<u>(513,915)</u>	<u>-</u>	<u>19,421,804</u>
Governmental activity capital assets, net	<u>\$21,974,885</u>	<u>\$ 657,148</u>	<u>\$ 806,250</u>	<u>\$21,825,783</u>

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

**NOTE 5 - CAPITAL ASSETS (continued)**

Depreciation expense was charged to governmental activities as follows:

Governmental activities:	
General government	\$ 238,502
Parks and recreation	526,739
Public works	771,010
Police	94,058
Fire	162,092
Total	<u>\$ 1,792,401</u>

**NOTE 6 - 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 is a member of the St. Louis Area Insurance Trust (SLAIT), which is a not-for-profit, self-insurance risk pool formed by various St. Louis County municipalities.

In order to operate as a group self-insurer of workers' compensation, SLAIT was formed in August 1986. In addition to insurance protection, the program provides risk management services with an emphasis on loss control, claims administration, and management information services. The trust is also able to provide the required excess reinsurance at a discount based on volume and the existence of the loss control program. Coverage is provided by the trust for general and auto liability subject to a \$500 deductible per occurrence. SLAIT is fully funded by its member participants and employs an outside service company to process all claims.

The trust requires an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust. However, the City retains a contingent liability to fund its pro-rata share of any deficit incurred by the trust should the trust cease operation at some future date. The City's 2021 expenditures for the trust totaled \$443,987 to SLAIT.

The City also purchases commercial insurance to cover risks related to travel, public official liability, earthquakes, and employee blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

**NOTE 7 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through March 17, 2022, the date which the financial statements were available for issue, and noted no reportable events.

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

**NOTE 8 - PENSION PLAN**

**Plan description.** The City of Crestwood, Missouri’s (the City) defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, 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).

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

	<u>2021 Valuation</u>
Benefit multiplier:	1.50%
Final average salary:	3 years
Member contributions:	0%

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	103
Inactive employees entitled to but not yet receiving benefits	45
Active employees	84
	232

**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 of the employer do not contribute to the pension plan. Employer contribution rates are 16.5% of annual covered payroll.

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

**NOTE 8 - PENSION PLAN (continued)**

**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 February 28, 2021.

**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 inflation
Investment rate of return	7.00%

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. 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. The pre-retirement mortality tables used were 75% of the PubG-2010 Employee Mortality Table of General groups and 75% of the PubS-2010 Employee Mortality Table of Police, Fire, and Public Safety groups. Mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scale to the above described tables.

The 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 Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed income	31.00%	1.41%
Real assets	36.00%	3.29%
Strategic assets	8.00%	5.25%
Cash/leverage	-25.00%	-0.29%

**Discount rate.** The discount rate used to measure the total pension liability is 7.00%. 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 currently active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

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

**NOTE 8 - PENSION PLAN (continued)**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
<b>Balances at 6/30/2020</b>	\$ 30,411,959	\$ 34,750,202	\$ (4,338,243)
<b>Changes for the year:</b>			
Service Cost	529,404	-	529,404
Interest	2,158,435	-	2,158,435
Difference between expected and actual experience	337,326	-	337,326
Change of assumption	(776,598)	-	(776,598)
Contributions - employer	-	273,931	(273,931)
Net investment income	-	9,460,955	(9,460,955)
Benefit payments, including refunds	(1,833,084)	(1,833,084)	-
Administrative expense/other changes	-	211,935	(211,935)
<b>Net changes</b>	<u>415,483</u>	<u>8,113,737</u>	<u>(7,698,254)</u>
<b>Balances at 6/30/2021</b>	<u>\$ 30,827,442</u>	<u>\$ 42,863,939</u>	<u>\$ (12,036,497)</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.

	<b>1% Decrease 6.00%</b>	<b>Current Single Discount Rate Assumption 7.00%</b>	<b>1% Increase 8.00%</b>
General	\$ (2,814,351)	\$ (3,994,171)	\$ (4,986,887)
Police	(2,378,814)	(3,740,705)	(4,872,627)
Fire	(3,076,025)	(4,031,621)	(5,328,769)
	<u>\$ (8,269,190)</u>	<u>\$ (11,766,497)</u>	<u>\$ (15,188,283)</u>

For the year ended June 30, 2021, the employer recognized pension expense of (\$1,909,740). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Outflow of Resources
Differences in experience	\$ 495,319	\$ (612,662)	\$ (117,343)
Differences in assumptions	28,910	(568,773)	(539,863)
Excess (deficit) investment returns	-	(4,581,408)	(4,581,408)
Contributions subsequent to the measurement date*	131,193	-	131,193
<b>Total</b>	<u>\$ 655,422</u>	<u>\$ (5,762,843)</u>	<u>\$ (5,107,421)</u>

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

**NOTE 8 - PENSION PLAN (continued)**

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ended December 31, 2021.

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

Year Ending June 30	Net Deferred Outflows of Resources
2022	\$ (1,476,606)
2023	(1,150,310)
2024	(1,134,274)
2025	(1,471,423)
2026	(6,001)
Thereafter	-
Total	<u>\$ (5,238,614)</u>

**NOTE 9 - MUNICIPAL COURT TRAFFIC VIOLATIONS FINES AND COSTS**

Missouri State statutes require municipalities to report an accounting of the percent of “annual general operating revenue” from fines and costs for traffic violations. All fines and costs from traffic violations in excess of 20% of the City’s “annual general operating revenue” is required to be remitted to the director of the department of revenue for annual distribution to the schools of the county. “Annual general operating revenue of the City” is defined by the Missouri State Auditor as revenue that is not required by the enacting ordinance law or Constitution to be used only for a designated purpose and can be used to pay any bill or obligation of the City. This includes, but is not limited to, general sales tax, general property tax, and fees from certain licenses and permits, interest, fines, and penalties. “General Operation Revenues” does not include, among other items, designated sales or use taxes, user fees, grant funds, or other revenue designated by law, ordinance, or Constitution, for a specific purpose.

Total court fines and costs (all case types)	\$47,567
Total general operating revenue of the City	\$9,409,583
Court fines and costs as a percentage of total general operating revenues	0.51%

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

**NOTE 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 available to employees at termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, the assets and liabilities of the deferred compensation plan are not included in the accompanying basic financial statements.

**NOTE 11 - COMMITMENTS AND CONTINGENCIES**

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

The City had been working for several years to identify a successful project for the redevelopment of the former Crestwood Court mall site. In 2020, the City issued a request for redevelopment proposals, and eventually selected a development partnership between Dierberg's Markets and McBride Homes. Together, the developers propose to build a grocery store anchored commercial development and a residential development. Following significant due diligence, the City approved the use of various public financing tools. Through the use of these tools, the developers will fund and construct the project. As of the end of fiscal year 2021, the redevelopment project has been approved and the co-Developers are finalizing their development plans and seeking the necessary permits, with groundbreaking anticipated in the first half of 2022.

**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description.** The City of Crestwood, Missouri administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides healthcare insurance for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members until the retiree reaches the age of 65.

The City Administrator makes a recommendation to the Board of Aldermen, who then approves benefit provisions and costs to both the City and to plan members. The Retiree Health Plan does not issue a publicly available financial report. The plan is required to have bi-annual actuarial valuations performed. The last valuation performed was for the year ending December 31, 2020.

**Funding Policy.** The Board of Aldermen determines contribution requirements. The City contributes a percentage of the cost of current-year premiums for eligible retired plan members and their spouses. The percentage is different depending on the level of coverage the retiree chooses.

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

**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

For fiscal year 2020, the City contributed \$189,255 to the plan. Plan members receiving benefits contribute the remainder of their premium costs.

**Annual OPEB Cost and OPEB Liability.** The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 75 for employers in plans with fewer than one hundred total plan members. The most recent ARC calculation was performed December 31, 2020. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

At December 31, 2020, the Plan covered the following number of participants for medical coverage:

Active	81
Retired	9
	90

**Methods and Assumptions** Valuations are performed using the Entry Age Normal (Alternative Measurement Method). Under the Entry Age Normal Method the projected benefits of each active participant is allocated on a level basis over the earnings of the individual over the participant's period of service.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

*Retirement age for active employees* - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62.

*Marital status* - 30% of active employees are assumed to be married and elect spousal coverage upon retirement.

*Mortality* - Life expectancies were based on mortality tables used from the National Center for Health Statistics. General employees used the PubG.H-2010 Mortality Table and public safety employees used the PubS.H-2010 Mortality Table.

*Turnover* - Table T-5 from the Pension Actuary's Handbook was used for turnover rates.

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

**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

*Healthcare cost trend rate* -. A rate of 7.7 percent initially, reduced to an ultimate rate of 4.5 percent after 16 years, was used.

*Inflation rate* -The expected long-term inflation assumption was 2.75%.

*Payroll growth rate* - The expected long-term payroll growth rate was assumed to be 3.00%.

*Discount rate* - The discount rate used to measure the total OPEB liability was 1.93%, which is the S&P Municipal Bond 20 Year High-Grade Rate Index as of December 31, 2020.

**OPEB Liability**

The following schedule shows the OPEB liability as of December 31, 2020, the date of the last actuarial valuation:

<b>Balances at 12/31/19</b>	\$ 914,894
<b>Changes for the year:</b>	
Service Cost	126,532
Interest	29,694
Difference between expected and actual experience	1,671,475
Changes of assumptions and other inputs	317,917
Benefit payments, including refunds	(189,255)
<b>Net changes</b>	1,956,363
<b>Balances at 12/31/20</b>	\$ 2,871,257

**Discount Rate Sensitivity-** The following presents the OPEB liability of the City, calculated using the discount rate of 1.93%, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (0.93%) or 1 percentage-point higher (2.93%) than the current rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Discount Rate Sensitivity	\$ 3,057,212	\$ 2,871,757	\$ 2,697,348

**Healthcare Trend Rate Sensitivity-** The following presents the OPEB liability of the City, calculated using the healthcare trend rate of 7.7% decreasing to 4.5% after 16 years, as well as what the City's OPEB liability would be if it were calculated using a trend rate that is 1 percentage-point lower (6.7% to 3.5%) or 1 percentage-point higher (8.7% to 5.5%) than the current rate:

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

**NOTE 12 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Trend Rate Sensitivity	\$ 2,632,299	\$ 2,871,757	\$ 3,105,051

***Other Post Employment Benefit Expense And Deferred Outflows of Resources and Deferred Inflows Of Resources Related to the Pension.*** For the year-ended December 31, 2020, the City recognized OPEB pension expense of \$2,145,618. At December 31, 2020, the City reported no deferred outflow or deferred inflows of resources related to the OPEB Plan. Therefore, no deferred inflows of resources will be reflected in the future years' pension expense.

**Required Supplementary Information**  
(Other than Management's Discussion and Analysis)

CITY OF CRESTWOOD, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
<b>Taxes</b>				
Property taxes	\$ 2,659,863	\$ 2,659,863	\$ 2,589,223	\$ (70,640)
Utility taxes	1,328,194	1,328,194	1,301,859	(26,335)
Sales/use taxes	4,200,145	4,200,145	4,642,943	442,798
Other	492,063	492,063	546,247	54,184
<b>Total taxes</b>	<b>8,680,265</b>	<b>8,680,265</b>	<b>9,080,272</b>	<b>400,007</b>
<b>Licenses, permits, fines and fees</b>				
Licenses and permits	923,248	923,248	947,584	24,336
Fines and forfeitures	111,525	111,525	73,537	(37,988)
<b>Total licenses, permits, fines and fees</b>	<b>1,034,773</b>	<b>1,034,773</b>	<b>1,021,121</b>	<b>(13,652)</b>
<b>Grants</b>				
Grants	582,597	582,597	1,401,488	818,891
<b>Investment income</b>	<b>10,000</b>	<b>10,000</b>	<b>29,890</b>	<b>19,890</b>
<b>Other income</b>	<b>69,500</b>	<b>69,500</b>	<b>100,940</b>	<b>31,440</b>
<b>Total revenues</b>	<b>10,377,135</b>	<b>10,377,135</b>	<b>11,633,711</b>	<b>1,256,576</b>
<b>Expenditures</b>				
<b>General government</b>				
Mayor's office	10,809	10,809	9,724	1,085
Board of Aldermen	36,734	36,734	37,233	(499)
Municipal court	94,547	94,547	87,947	6,600
City clerk's office	206,098	206,098	188,791	17,307
Finance department	209,193	209,193	207,351	1,842
City administrator	376,457	376,457	401,598	(25,141)
MIS	135,112	160,112	148,829	11,283
General supporting services	537,925	537,925	596,048	(58,123)
<b>Total general government</b>	<b>1,606,875</b>	<b>1,631,875</b>	<b>1,677,521</b>	<b>(45,646)</b>

(continued on next page)

CITY OF CRESTWOOD, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Positive (Negative)
	Original	Final		
Expenditures (continued)				
Public works				
General public work services	367,156	590,156	557,179	32,977
Administration services	1,443,371	1,443,371	1,146,816	296,555
Maintenance services	634,867	634,867	604,777	30,090
Mechanical services	149,997	149,997	152,186	(2,189)
Total public works	<u>2,595,391</u>	<u>2,818,391</u>	<u>2,460,958</u>	<u>357,433</u>
Public safety - police	<u>3,161,932</u>	<u>3,296,836</u>	<u>3,176,903</u>	<u>119,933</u>
Public safety - fire	<u>3,377,059</u>	<u>3,377,059</u>	<u>3,495,798</u>	<u>(118,739)</u>
Total expenditures	<u>10,741,257</u>	<u>11,124,161</u>	<u>10,811,180</u>	<u>312,981</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (364,122)</u>	<u>\$ (747,026)</u>	822,531	<u>\$ 1,569,557</u>
Fund balance, beginning of year			<u>6,821,553</u>	
Fund balance, end of year			<u>\$ 7,644,084</u>	

CITY OF CRESTWOOD, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE  
 PARKS AND STORMWATER FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Sales/use taxes	\$ 1,145,776	\$ 1,145,776	\$ 1,263,524	\$ 117,748
Charges for services	504,000	504,000	610,436	106,436
Investment income	1,757	1,757	4,431	2,674
Grant income	6,400	13,900	15,608	1,708
Other income	9,500	105,997	96,596	(9,401)
Total revenues	<u>1,667,433</u>	<u>1,771,430</u>	<u>1,990,595</u>	<u>219,165</u>
<b>Expenditures</b>				
Public works				
Stormwater maintenance services	6,500	6,500	6,816	(316)
Parks maintenance services	379,936	379,936	323,980	55,956
Parks and recreation				
Recreation services	793,944	975,306	853,932	121,374
Aquatic center	502,258	502,258	524,057	(21,799)
Historic facilities	64,700	64,700	65,708	(1,008)
Total expenditures	<u>1,747,338</u>	<u>1,928,700</u>	<u>1,774,493</u>	<u>154,207</u>
Net change in fund balance	<u>\$ (79,905)</u>	<u>\$ (157,270)</u>	216,102	<u>\$ 373,372</u>
Fund balance, beginning of year			<u>874,427</u>	
Fund balance, end of year			<u>\$ 1,090,529</u>	

CITY OF CRESTWOOD, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE  
 SEWER LATERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 138,000	\$ 138,000	\$ 138,508	\$ 508
Investment income	700	700	1,769	1,069
Total revenues	<u>138,700</u>	<u>138,700</u>	<u>140,277</u>	<u>1,577</u>
Expenditures				
Public works	134,957	134,957	110,629	24,328
Total expenditures	<u>134,957</u>	<u>134,957</u>	<u>110,629</u>	<u>24,328</u>
Net change in fund balance	<u>\$ 3,743</u>	<u>\$ 3,743</u>	29,648	<u>\$ 25,905</u>
Fund balance, beginning of year			<u>333,749</u>	
Fund balance, end of year			<u>\$ 363,397</u>	

CITY OF CRESTWOOD, MISSOURI  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021

**NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING**

The City prepares and legally adopts an annual budget for the General Fund, Capital Improvement Fund, Parks and Stormwater Fund and the Sewer Lateral Fund.

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles.

The Board of Aldermen follow the procedures outlined below in establishing the budgetary data reflected in the accompanying basic financial statements:

- 1) Department heads prepare departmental operating budgets and the Finance Officer makes revenue projections on or before September 15. The Finance Department edits and assembles the data for review.
- 2) The City Administrator and Finance Officer review and revise departmental operating budgets based upon estimated revenue projections and operational priorities.
- 3) At least forty-five days prior to the beginning of each fiscal year, the City Administrator shall submit to the Board of Aldermen a proposed final budget and accompanying written narrative.
- 4) The Ways and Means Committee reviews a preliminary budget approximately three months prior to the new fiscal year to discuss revenue and fund balance projections, and proposed expenditures for all
- 5) Following any recommendations by the Ways and Means Committee, the Board of Aldermen conducts budget work sessions in which board members express their opinions on the proposed budget.
- 6) Based on the Board's recommendations, a budget ordinance is prepared. After a fifteen-day public notice, the Board of Aldermen holds a public hearing to hear taxpayer comments on the proposed
- 7) The budget is then adopted by ordinance.
- 8) Budgeted expenditures cannot legally exceed appropriations at the department level. Revenue estimates are adjusted to reflect any unencumbered or undesignated balance from the previous year.
- 9) During the year, the City Administrator may transfer all or any part of any unencumbered appropriation balance among accounts within a department. The Board of Aldermen may, by motion of the Board, transfer part or all of any unencumbered appropriation balance from one department to another.
- 10) At the end of each budget period, all appropriated balances lapse and may be reappropriated in the next budget period.

CITY OF CRESTWOOD, MISSOURI  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Calendar Years

Fiscal year ending June 30,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total pension liability</b>										
Service cost	\$ 529,404	\$ 500,618	\$ 492,840	\$ 468,014	\$ 454,524	\$ 431,543	\$ 416,778			
Interest on the total pension liability	2,158,435	2,095,836	2,084,455	1,999,228	1,944,646	1,836,833	1,792,291			
Difference between expected and actual results	337,326	(101,550)	(904,500)	216,104	(235,574)	(348,568)	(315,549)			
Assumption changes	(776,598)	-	-	-	-	879,304	-			
Benefit payments and refunds	(1,833,084)	(1,464,583)	(1,572,792)	(1,469,021)	(1,367,485)	(1,280,699)	(1,291,903)			
Net change in total pension liability	415,483	1,030,321	100,003	1,214,325	796,111	1,518,413	601,617			
Total pension liability - beginning	30,411,959	29,381,638	29,281,635	28,067,310	27,271,199	25,752,786	25,151,169			
<b>Total pension liability - ending (a)</b>	<b>\$ 30,827,442</b>	<b>\$ 30,411,959</b>	<b>\$ 29,381,638</b>	<b>\$ 29,281,635</b>	<b>\$ 28,067,310</b>	<b>\$ 27,271,199</b>	<b>\$ 25,752,786</b>			
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 273,931	\$ 249,490	\$ 217,642	\$ 194,954	\$ 212,684	\$ 263,271	\$ 301,492			
Contributions - member	-	-	-	-	-	36,318	-			
Pension plan net investment income	9,460,955	451,713	2,243,419	3,992,982	3,479,077	(88,524)	597,101			
Benefit payments and refunds	(1,833,084)	(1,464,583)	(1,572,792)	(1,469,021)	(1,367,485)	(1,280,699)	(1,291,903)			
Administrative expenses	(21,564)	(28,498)	(24,383)	(17,072)	(15,760)	(15,728)	(16,963)			
Other	233,499	(78,943)	(434,863)	89,975	(94,477)	362,878	(566,884)			
Net change in plan fiduciary net position	8,113,737	(870,821)	429,023	2,791,818	2,214,039	(722,484)	(977,157)			
Plan fiduciary net position - beginning	34,750,202	35,621,023	35,192,000	32,400,182	30,186,143	30,908,627	31,885,784			
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 42,863,939</b>	<b>\$ 34,750,202</b>	<b>\$ 35,621,023</b>	<b>\$ 35,192,000</b>	<b>\$ 32,400,182</b>	<b>\$ 30,186,143</b>	<b>\$ 30,908,627</b>			
<b>Net pension liability(asset) - ending (a) - (b)</b>	<b>\$ (12,036,497)</b>	<b>\$ (4,338,243)</b>	<b>\$ (6,239,385)</b>	<b>\$ (5,910,365)</b>	<b>\$ (4,332,872)</b>	<b>\$ (2,914,944)</b>	<b>\$ (5,155,841)</b>			
Net position as a percentage of pension liability	139.04%	114.26%	121.24%	120.18%	115.44%	110.69%	120.02%			
Covered-employee payroll	\$ 5,215,579	\$ 5,084,980	\$ 4,782,626	\$ 4,877,977	\$ 4,501,219	\$ 4,491,703	\$ 4,228,937			
Net pension liability as a percentage of payroll	-230.78%	-85.31%	-130.46%	-121.16%	-96.26%	-64.90%	-121.92%			

**Notes to schedule:**

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF CRESTWOOD, MISSOURI  
SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 266,120	\$ 259,511	\$ 260,595	\$ 220,408	\$ 187,895	\$ 233,947	\$ 302,490	\$ 297,328	\$ 340,480	\$ 428,479
Contributions in relation to the actuarially determined contribution	266,120	259,511	243,206	207,121	187,895	233,947	296,525	297,328	340,479	379,547
Contribution deficiency (excess)	\$ -	\$ -	\$ 17,389	\$ 13,287	\$ -	\$ -	\$ 5,965	\$ -	\$ 1	\$ 48,932
Covered-employee payroll	\$ 5,392,287	\$ 5,176,973	\$ 5,076,050	\$ 4,703,011	\$ 4,535,160	\$ 4,647,296	\$ 4,418,069	\$ 4,214,510	\$ 4,415,502	\$ 4,585,987
Contributions as a percentage of covered-employee payroll	4.94%	5.01%	4.79%	4.40%	4.14%	5.03%	6.71%	7.05%	7.71%	8.28%

**Notes to Schedule**

*Valuation date:*

Actuarially determined contribution rates are calculated as of February 28, 2021 prior to the end of the fiscal year in which contributions are reported

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal and modified terminal funding
Amortization method	Level percent of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5 years smoothed market; 20% corridor
Inflation	2.75% wage inflation; 2.25% price inflation
Salary increases	2.75% - 6.75%; including wage inflation
Investment rate of return	7.00%, net of investment and administrative expenses
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	PubG-2010 Retiree Mortality Table

*Other information:*

Notes None

CITY OF CRESTWOOD, MISSOURI  
SCHEDULE OF CHANGES IN OTHER THAN PENSION POST EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS

Last 10 Calendar Years

Fiscal year ending December 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total OPEB liability</b>										
Service cost	\$ -	\$ 126,532	\$ 126,173							
Interest on the total pension liability	-	29,694	19,024							
Difference between expected and actual experience	-	1,671,475	(17,573)							
Changes of assumptions and other inputs	-	317,917								
Benefit payments and refunds	-	(189,255)	(64,850)							
Net change in total OPEB liability	-	1,956,363	62,774							
Total OPEB liability - beginning	2,871,257	914,894	852,120							
<b>Total OPEB liability - ending</b>	<b>\$ 2,871,257</b>	<b>\$ 2,871,257</b>	<b>\$ 914,894</b>							
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ -	\$ -	\$ 64,850							
Benefit payments and refunds	-	-	(64,850)							
Net change in plan fiduciary net position	-	-	-							
Plan fiduciary net position - beginning	-	-	-							
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>							
Covered-employee payroll	N/A	\$ 4,972,545	\$ 5,116,350							
Net OPEB liability as a percentage of payroll	N/A	57.74%	17.88%							

**Notes to schedule:**

The December 31, 2020 valuation is the last valuation performed.

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

CITY OF CRESTWOOD, MISSOURI  
SCHEDULE OF CONTRIBUTIONS  
OTHER POST EMPLOYMENT BENEFIT LIABILITY  
Last 10 Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ -	\$ 253,503	\$ -	\$ 126,173	\$ 136,188	\$ 76,416	\$ 76,416	\$ 76,416	\$ 130,663	\$ -
Contributions in relation to the actuarially determined contribution	-	189,255	-	64,850	53,719	56,210	67,667	82,415	71,124	-
Contribution deficiency (excess)	\$ -	\$ 64,248	\$ -	\$ 61,323	\$ 82,469	\$ 20,206	\$ 8,749	\$ (5,999)	\$ 59,539	\$ -
Covered-employee payroll	\$ -	\$ 4,972,545	\$ -	\$ 5,390,184	\$ 4,856,641	\$ 4,743,794	\$ 4,783,533	\$ 4,561,789	\$ 4,421,586	
Contributions as a percentage of covered-employee payroll	N/A	3.81%	N/A	1.20%	1.11%	1.18%	1.41%	1.81%	1.61%	

**Notes to Schedule**

*Valuation date:* December 31, 2020

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Asset valuation method	No assets
Inflation	2.75%
Health care inflation	7.70%
Salary increases	3.00%
Discount rate	1.93%
Retirement age	62 years of age
Mortality	Public Safety - 2010 Mortality Table

*Other information:*

Notes: None

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

## Supplementary Information

CITY OF CRESTWOOD, MISSOURI  
 BUDGETARY COMPARISON SCHEDULE  
 CAPITAL IMPROVEMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ 974,019	\$ 974,019	\$ 1,073,995	\$ 99,976
Investment income	1,680	1,680	7,960	6,280
Other	20,000	20,000	19,200	(800)
Total revenues	<u>995,699</u>	<u>995,699</u>	<u>1,101,155</u>	<u>105,456</u>
Expenditures				
Public works				
Street maintenance services	1,000,500	1,095,500	469,448	626,052
Public safety				
Police	77,000	77,000	72,539	4,461
Fire	100,000	100,000	125,000	(25,000)
Administration				
Capital outlay	-	-	5,328	(5,328)
Total expenditures	<u>1,177,500</u>	<u>1,272,500</u>	<u>672,315</u>	<u>600,185</u>
Net change in fund balance	<u>\$ (181,801)</u>	<u>\$ (276,801)</u>	428,840	<u>\$ 705,641</u>
Fund balance, beginning of year			<u>1,613,855</u>	
Fund balance, end of year			<u>\$ 2,042,695</u>	