

CITY OF ELLISVILLE MISSOURI

**FINANCIAL STATEMENTS, INDEPENDENT AUDITOR'S
REPORT AND SUPPLEMENTARY INFORMATION**

FISCAL YEAR ENDED DECEMBER 31, 2023



**#1 WEIS AVENUE
ELLISVILLE, MISSOURI 63011**

City of Ellisville, Missouri
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Independent Auditor's Report

To the Honorable Mayor and City Council
City of Ellisville, Missouri

Report on the Audit of the Financial Statements*Opinions*

We have audited the modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Ellisville, Missouri, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise City of Ellisville, Missouri's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 City of Ellisville, Missouri as of December 31, 2023, and the respective changes in financial position-modified cash basis and, where applicable, cash flows, thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 City of Ellisville, 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.

Emphasis of Matter — Basis of Accounting

We 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. Our 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 the 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 City of Ellisville, 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 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 auditor's 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 GAAS 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 GAAS and *Government 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 City of Ellisville, 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Ellisville, 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.

Supplementary Information

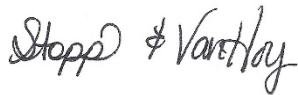
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Ellisville, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying

accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2024 on our consideration of City of Ellisville, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 Ellisville, Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

St. Louis, Missouri
June 18, 2024

City of Ellisville, Missouri
Statement of Net Position - Modified Cash Basis
December 31, 2023

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 3,700,016
Investments	1,834,105
Restricted cash and equivalents	6,508,954
Prepaid items	-
Total Assets	12,043,075
Deferred Outflows of Resources	-
Liabilities	
Payroll related liabilities	45,611
Court bonds payable	17,750
Unearned revenue	-
Funds held for others	187,580
Due to fiduciary fund	59,388
Total Liabilities	310,329
Deferred Inflows of Resources	-
Net Position	
Restricted:	
Storm water projects	1,261,176
Sewer lateral program	340,052
Parks	-
Capital projects	4,583,845
Law enforcement operations	81,098
Unrestricted	5,466,575
Total Net Position	\$ 11,732,746

See Notes to the Financial Statements

City of Ellisville, Missouri
Statement of Activities - Modified Cash Basis
For the year ended December 31, 2023

Functions/Programs	Expenses	Charges for Service	Program Revenue		Net (Expense) Revenue and Change in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Administrative	\$ 5,821,931	\$ 641,584	\$ -	\$ 3,000,000	\$ (2,180,347)
Police	3,659,363	103,179	822,584	-	(2,733,600)
Public works	2,131,749	-	510,340	-	(1,621,409)
Planning, inspections, and engineering	2,311,397	273,755	-	-	(2,037,642)
Municipal court	130,473	-	-	-	(130,473)
Recreation	1,848,698	384,646	-	420,067	(1,043,985)
Interest and fiscal charges	183,546	-	-	-	(183,546)
	<u>16,087,157</u>	<u>1,403,164</u>	<u>1,332,924</u>	<u>3,420,067</u>	<u>(9,931,002)</u>
General Revenues:					
Taxes:					
					7,490,724
					1,485,726
					911,052
					241,971
					466,178
					25,039
					614,004
					<u>11,234,694</u>
					Change in Net Position \$ 1,303,692
					Net Position - Beginning of Year (restated) <u>10,429,054</u>
					Net Position - End of Year <u>\$ 11,732,746</u>

See Notes to the Financial Statements

City of Ellisville, Missouri
Balance Sheet - Governmental Funds - Modified Cash Basis
December 31, 2023

	General Fund	Storm Water Projects Fund	Parks Fund	Capital Infrastructure Fund	Government Center Loan Fund	Nonmajor Governmental Funds	Total
Assets							
Cash and cash equivalents	\$ 3,700,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,700,016
Investments	1,834,105	-	-	-	-	-	1,834,105
Restricted cash and cash equivalents	44,732	-	-	-	6,464,222	-	6,508,954
Prepaid items	-	-	-	-	-	-	-
Due from other funds	93,110	1,261,176	-	1,376,681	-	421,150	3,152,117
Total Assets	<u>5,671,963</u>	<u>1,261,176</u>	<u>-</u>	<u>1,376,681</u>	<u>6,464,222</u>	<u>421,150</u>	<u>15,195,192</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,671,963</u>	<u>\$ 1,261,176</u>	<u>\$ -</u>	<u>\$ 1,376,681</u>	<u>\$ 6,464,222</u>	<u>\$ 421,150</u>	<u>\$ 15,195,192</u>
Liabilities							
Payroll related liabilities	\$ 45,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,611
Court bonds payable	17,750	-	-	-	-	-	17,750
Unearned revenue	-	-	-	-	-	-	-
Funds held for others	187,580	-	-	-	-	-	187,580
Due to other funds	3,118,395	-	1,661	-	-	91,449	3,211,505
Total Liabilities	<u>3,369,336</u>	<u>-</u>	<u>1,661</u>	<u>-</u>	<u>-</u>	<u>91,449</u>	<u>3,462,446</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted:							
Storm water projects	-	1,261,176	-	-	-	-	1,261,176
Parks	-	-	-	-	-	-	-
Capital projects	-	-	-	1,376,681	6,464,222	-	7,840,903
Sewer lateral program	-	-	-	-	-	340,052	340,052
Law enforcement operations	-	-	-	-	-	81,098	81,098
Unassigned	2,302,627	-	(1,661)	-	-	(91,449)	2,209,517
Total Fund Balances	<u>2,302,627</u>	<u>1,261,176</u>	<u>(1,661)</u>	<u>1,376,681</u>	<u>6,464,222</u>	<u>329,701</u>	<u>11,732,746</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,671,963</u>	<u>\$ 1,261,176</u>	<u>\$ -</u>	<u>\$ 1,376,681</u>	<u>\$ 6,464,222</u>	<u>\$ 421,150</u>	<u>\$ 15,195,192</u>

See Notes to the Financial Statements

City of Ellisville, Missouri
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Modified Cash Basis
For the year ended December 31, 2023

	General Fund	Storm Water Projects Fund	Parks Fund	Capital Infrastructure Fund	Government Center Loan Fund	Nonmajor Governmental Funds	Total
Revenues							
Property taxes	\$ 448,903	\$ -	\$ -	\$ 361,458	\$ -	\$ 100,691	\$ 911,052
Taxes - other	5,208,853	1,758,118	757,755	2,004,035	-	-	9,728,761
Intergovernmental	822,584	-	420,067	-	-	-	1,242,651
Licenses and permits	866,198	-	-	-	-	-	866,198
Fines and forfeitures	103,179	-	-	-	-	-	103,179
Charges for services	49,141	-	384,646	-	-	-	433,787
Investment income	131,091	12,962	2,721	10,205	303,088	6,111	466,178
Other	609,462	-	750	-	-	3,792	614,004
	<u>8,239,411</u>	<u>1,771,080</u>	<u>1,565,939</u>	<u>2,375,698</u>	<u>303,088</u>	<u>110,594</u>	<u>14,365,810</u>
Expenditures							
Current:							
Administrative	2,629,087	-	-	-	-	-	2,629,087
Police	3,427,887	-	-	-	-	-	3,427,887
Public works	1,682,451	-	-	-	-	11,078	1,693,529
Planning, inspections, and engineering	447,779	276,240	-	-	-	-	724,019
Municipal court	130,300	-	-	-	-	-	130,300
Recreation	-	-	916,183	-	-	-	916,183
Capital outlay	249,029	1,149,968	932,515	278,606	2,898,497	539,086	6,047,701
Debt service:							
Principal	9,775	-	-	286,032	-	39,098	334,905
Interest and fiscal charges	5,289	-	-	161,375	-	1,632	168,296
Debt issuance costs	-	-	-	-	15,250	-	15,250
	<u>8,581,597</u>	<u>1,426,208</u>	<u>1,848,698</u>	<u>726,013</u>	<u>2,913,747</u>	<u>590,894</u>	<u>16,087,157</u>
Excess (Deficiency) of Revenues over Expenditures	(342,186)	344,872	(282,759)	1,649,685	(2,610,659)	(480,300)	(1,721,347)
Other Financing Sources (Uses)							
Proceeds from sale of surplus property	25,039	-	-	-	-	-	25,039
Issuance of notes payable	-	-	-	-	3,000,000	-	3,000,000
Transfers in	-	-	-	-	-	315,000	315,000
Transfers out	(315,000)	-	-	-	-	-	(315,000)
	<u>(289,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>315,000</u>	<u>3,025,039</u>
Net Change in Fund Balance	\$ (632,147)	\$ 344,872	\$ (282,759)	\$ 1,649,685	\$ 389,341	\$ (165,300)	\$ 1,303,692
Fund Balance, January 1 (restated)	<u>2,934,774</u>	<u>916,304</u>	<u>281,098</u>	<u>(273,004)</u>	<u>6,074,881</u>	<u>495,001</u>	<u>10,429,054</u>
Fund Balance, December 31	<u>\$ 2,302,627</u>	<u>\$ 1,261,176</u>	<u>\$ (1,661)</u>	<u>\$ 1,376,681</u>	<u>\$ 6,464,222</u>	<u>\$ 329,701</u>	<u>\$ 11,732,746</u>

See Notes to the Financial Statements

City of Ellisville, Missouri
Statement of Fiduciary Net Position
Custodial Funds - Modified Cash Basis
December 31, 2023

Assets

Due from other funds	\$ 59,388
Total Assets	<u>59,388</u>

Net Position Held in Trust for:

Health benefits	59,388
Total Net Position	<u><u>\$ 59,388</u></u>

See Notes to the Financial Statements

City of Ellisville, Missouri
Statement of Changes in Fiduciary Net Position
Custodial Funds - Modified Cash Basis
For the year ended December 31, 2023

Additions

Investment income:	
Interest	\$ 814
Net investment income	<u>814</u>
Change in Net Position Held in Trust	\$ 814
Net Position Held in Trust, Beginning of Year	<u>58,574</u>
Net Position Held in Trust, End of Year	<u><u>59,388</u></u>

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies

The City of Ellisville, Missouri (the "City") was incorporated as a city within St. Louis County, Missouri in 1932 under the provisions of the Missouri State Statutes. On August 3, 1993, the City voters approved a Home Rule Charter which established a council-manager form of government, governed by a policy making body of six council members and a mayor. The City's major operations include police protection, street maintenance and improvements, parks and recreation, community development, and general administrative services. The basic financial statements have been prepared in conformity with the modified cash basis of accounting as applied to governmental agencies. The significant accounting policies applied by the City in the preparation of the accompanying financial statements are summarized below:

Reporting Entity

The City applies the criteria set forth in Statement No. 61 of the Governmental Accounting Standards Board, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* (GASB 61), as applicable to the modified cash basis of accounting, to determine which governmental organizations should be included in the reporting entity. The inclusion or exclusion of component units is based on the elected officials accountability to their constituents. The financial reporting entity follows the same accountability. In addition, the financial statements of the reporting entity should allow the user to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. Criteria for inclusion of an entity into the primary governmental unit (in blended or discrete presentation) includes, but is not limited to, legal standing, fiscal dependency, imposition of will, and the primary recipient of services. The City presently has no component units included within its reporting entity.

Basic Financial Statements

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities, and reports information on all of the activities of the Primary Government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges that would distort direct costs and program revenues reported for the various functions concerned.

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

Separate fund based financial statements are provided for governmental funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB Statement No. 34, as applicable to the modified cash basis of accounting, sets forth minimum criteria (percentage of assets, deferred outflows, liabilities, deferred inflows, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

The City reports the following major governmental funds:

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

Storm Water Projects Fund - The City uses this fund to account for sales tax revenue designed for storm water project expenditures.

Parks Fund - The City uses this fund to account for tax revenues designated for park and recreational activities as well as other revenues and expenditures directly related to recreational activities. This fund includes 1/4 cent sales tax which is deposited and used for debt service payments related to the original construction of the pool.

Capital Infrastructure Fund - The City uses this fund to account for sales tax revenue designated for infrastructure operation and construction.

Government Center Loan Fund - The City uses this capital project fund to account for the proceeds from the issuance of debt and capital project activity related to the Government Center development project.

The other governmental funds of the City are considered nonmajor. They consist of capital project and special revenue funds which account for specific revenue sources that are legally restricted to expenditures for specific purposes.

Additionally, the government reports the following fiduciary fund types:

Custodial Fund - The City uses this fund to account for resources held by the City that are to be used to cover health insurance premiums for employees who are unable to work due to illness. The City has no requirements to provide additional resources to this fund. Resources for this fund are provided by employees of the City that volunteer at charitable events.

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 is applied.

The government-wide financial statements are reported using the economic resources measurement focus, within the limitations of the modified cash basis of accounting.

Governmental fund financial statements are reported using the 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. The City defines available for purposes of revenue recognition in the governmental fund financial statements as when revenue is received, not earned. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

In the government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes revenues when they are received and recognizes expenditures when cash payments are made. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

As a result of the use of this modified cash basis of accounting, revenues are recognized in the accounting period when they are received. Measurable means the amount is known. Available means they have been collected. This availability period determines financial resources that are "current."

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

Cash and Investments

The City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investment balance in each fund represents the fund's equity share of the City's cash and investment pool. The City's investments are carried at fair value. Interest income earned on pooled cash and investments is allocated to the various funds based on their respective participation. Interest income on restricted cash and investments is credited directly to the related fund.

The City is authorized to invest funds not immediately needed for the purposes to which the funds are applicable in obligations of the U.S. Treasury, U.S. government agencies, repurchase agreements, and certificates of deposit.

Certain cash and investments are restricted for the construction or purchase of assets, the repayment of long-term debt, and the activities of special revenue funds.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditure/expense when consumed rather than when purchased.

Capital Assets

The City's modified cash basis of accounting recognizes the purchases of capital assets as an expenditure (capital outlay) in the period incurred. Therefore, no assets are capitalized or depreciated in these financial statements.

Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as other financing sources (uses) in the governmental fund type. In the process of aggregating data of the statement of net position and the statement activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing-up" effect on assets and liabilities within the governmental activities column.

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Compensated Absences

Under terms of the City's personnel policy, employees are granted vacation time based on length of service. Vacation time accrued during one fiscal year may be carried over and used only in the subsequent fiscal year. Upon termination, the employee is paid for unused vacation or is required to repay the City for used and unearned vacation of the current year. 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 City considers all vacation leave pay to be expensed when paid.

Post-Employment Benefits

The City does not provide post-employment benefits, except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the City.

Net Position and Fund Balance/Equity

Restricted net position represents amounts restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments). All remaining net position is considered unrestricted. When both restricted and unrestricted sources are available for use, it is the City's policy to use restricted first, then unrestricted resources as they are needed.

The government-wide Statement of Net Position reports a restricted portion of \$6,266,171, of which \$2,977,909 is restricted by enabling legislation.

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

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

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

Committed - Resources which are subject to limitations the government imposes upon itself by passing an ordinance by the City Council, and that remain binding unless removed in the same manner.

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

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

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 1 - Summary of Significant Accounting Policies (continued)

Net Position and Fund Balance/Equity (continued)

The City Council is the highest level of decision-making authority that establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This typically done through adoption and amendment of the budget. Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose.

Restricted funds are used first as appropriate when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and then finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

The City has not adopted a formal minimum fund balance policy.

Budgets and Budgetary Accounting

Per state statute, at the fund level, actual expenditures are not to exceed budgeted appropriations; however, with proper approval by the City Council, budgetary transfers between departments can be made. Prior to January 1, the Director of Finance, with the assistance of the department heads, prepares a budget of estimated revenues and expenditures for the forthcoming year and delivers the budget to the City Manager.

The budget is prepared on the same modified cash basis of accounting as applied to the governmental funds in the basic financial statements. A budgetary comparison schedule is required to be presented for the General Fund and for each major special revenue fund that has a legal adopted annual budget. Revenues and expenditures are reported when they result from cash transactions.

For the year ended December 31, 2023, the following fund had actual expenditures which exceeded budgeted expenditures: Equipment Replacement Fund.

Use of Estimates

The preparation of financial statements in conformity with the other comprehensive basis of accounting may require management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 2 - Deposits and Investments

Custodial Credit Risk - Deposits

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

As of December 31, 2023, the City's bank balances were entirely insured or collateralized with securities held by the City or by its agent in the City's name. The City invests in certificates of deposits and market funds whose values are subject to market fluctuations which may result in uninsured balances, however, management deems this risk to be insignificant due to the immateriality to the financial statements.

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 2 - Deposits and Investments (continued)

Credit Risk - Investments

Credit risk for investments is the risk that an issuer or other counterparty to any investment will not fulfill its obligations. The City minimizes credit risk by diversifying the portfolio to reduce losses on individual securities. The City minimizes credit risk by prequalifying the financial institution, brokers/dealers, intermediaries, and advisors with which the City will do business.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy limits investments, except debt service reserves and capital projects, to maturities of one year or less. Investments held for longer periods are subject to increased risk of adverse interest rate changes. Information about the sensitivity of the fair values of the City's investment (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of December 31, 2023:

<u>Investment Type</u>	<u>Fair Value</u>	<u>No maturity</u>	<u>< 1 year</u>	<u>1-5 years</u>	<u>> 5 years</u>
Money market funds	\$ 6,676,332	\$ 6,676,332	\$ -	\$ -	\$ -
MOSIP Liquid Series	1,525,854	1,525,854	-	-	-
Certificates of deposit	1,621,995	-	388,781	1,233,214	-
	<u>\$ 9,824,181</u>	<u>\$ 8,202,186</u>	<u>\$ 388,781</u>	<u>\$ 1,233,214</u>	<u>\$ -</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City limits the concentration in a single security type or with a single financial institution to no more than 50%.

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

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets and liabilities [such as interest rates, yield curves, volatilities, loss severities, credit risks, and default rates] or other market corroborated inputs); and Level 3 inputs are significant unobservable inputs. The City uses the following recurring fair value measurements as of December 31, 2023:

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 2 - Deposits and Investments (continued)

Fair Value Measurements (continued)

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds	\$ 6,676,332	\$ 6,676,332	\$ -	\$ -
MOSIP Liquid Series	1,525,854	1,525,854	-	-
Certificates of deposit	1,621,995	-	1,621,995	-
	<u>\$ 9,824,181</u>	<u>\$ 8,202,186</u>	<u>\$ 1,621,995</u>	<u>\$ -</u>

The City values level 2 inputs based on quoted prices in active markets for similar assets.

Note 3 - Property Taxes

The City's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are levied on September 1 and payable by December 31. A lien is placed on the property on January 1 and is then subject to interest and penalties. The assessed value at January 1, 2023, upon which the 2023 levy was based for real, personal and public utility property, was \$431,794,054. The City's tax rate was levied at the following rates per \$100 of assessed valuation for the General Fund:

	Rate
Residential	\$ 0.1100
Agricultural	-
Commercial	0.1280
Personal Property	-

Note 4 - Interfund Transactions

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use restricted revenues collected in the General Fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

The following transfers were made during the fiscal year ending December 31, 2023:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 315,000
Nonmajor Funds:		
Equipment Replacement Fund	315,000	-
	<u>\$ 315,000</u>	<u>\$ 315,000</u>

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 4 - Interfund Transactions (continued)

The outstanding balances between funds result mainly from time lag between dates that: 1) reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payment are made between funds. The composition of interfund balances as of December 31, 2023 is as follows:

	Due From	Due To
Governmental Funds:		
General Fund	\$ 93,110	\$ 3,118,395
Storm Water Projects Fund	1,261,176	-
Parks Fund	-	1,661
Capital Infrastructure Fund	1,376,681	-
Government Center Loan Fund	-	-
Nonmajor Funds:		
Equipment Replacement Fund	-	91,449
Sewer Lateral Fund	340,052	-
Police Foundation Fund	81,098	-
	3,152,117	3,211,505
Custodial Funds:		
Police Benevolent Fund	59,388	-
	\$ 3,211,505	\$ 3,211,505

Note 5 - Long-Term Debt

In January 2018, the City purchased equipment through a Master Governmental Lease-Purchase Agreement. The cost of the items purchased totaled \$221,178. Payments are due in five annual installments of \$40,730 with interest payable at 4.170%.

In August 2022, the City entered into a \$3,500,000 lease purchase agreement for the purpose of constructing, furnishing, and equipping a new government center. Payments are due in semi-annual installments of \$213,777 with interest payable at 3.070%. The agreement will mature on August 18, 2032.

In December 2022, the City purchased equipment through a Master Governmental Lease-Purchase Agreement. The cost of the items purchased totaled \$119,668. Payments are due in ten annual installments of \$15,064 with interest payable at 4.420%.

In June 2023, the City entered into a \$3,000,000 lease purchase agreement for the purpose of constructing, furnishing, and equipping a new government center. Payments are due in semi-annual installments of \$179,904 with interest payable at 3.595%. The agreement will mature on June 2, 2033.

	Balance at 12/31/22	Additions	Reductions	Balance at 12/31/23	Due Within One Year
Equipment lease purchases	\$ 158,766	\$ -	\$ (48,873)	\$ 109,893	\$ 10,207
Government Center lease purchases	3,500,000	3,000,000	(286,031)	6,213,969	586,306
Total Long-Term Debt	\$ 3,658,766	\$ 3,000,000	\$ (334,904)	\$ 6,323,862	\$ 596,513

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 5 - Long-Term Debt (continued)

Annual debt-service payments for long-term debt with scheduled payments are as follows:

Year ended,	Equipment lease purchases			Government Center lease purchases		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 10,207	\$ 4,857	\$ 15,064	\$ 586,306	\$ 201,058	\$ 787,364
2025	10,658	4,406	15,064	605,825	181,539	787,364
2026	11,129	3,935	15,064	625,998	161,366	787,364
2027	11,621	3,443	15,064	646,846	140,518	787,364
2028	12,134	2,930	15,064	668,394	118,970	787,364
2029-2032	54,144	6,112	60,256	3,080,600	248,758	3,329,358
	<u>\$ 109,893</u>	<u>\$ 25,683</u>	<u>\$ 135,576</u>	<u>\$ 6,213,969</u>	<u>\$ 1,052,209</u>	<u>\$ 7,266,178</u>

Payments on the equipment lease purchases are expected to be paid out of the Equipment Replacement Fund. Payments on the Government Center lease purchase are expected to be paid out of the Capital Infrastructure Fund.

Note 6 - Missouri Local Government Employee Retirement System (LAGERS)

General Information about the Defined Benefit Pension Plan

The City of Ellisville's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The City of Ellisville 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.

Pension Benefits

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.

Funding Policy

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 10.6% (General) and 12.8% (Police) of annual covered payroll. The City remitted contributions of \$505,475 for the year ended December 31, 2023.

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 7 - Deferred Compensation Plan

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

ICMA Retirement Corporation administers the City's Deferred Compensation Plan. The City does not have significant administrative involvement in the Plan. With the adoption of Governmental Accounting Standards Board (GASB) No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan - an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, as applicable to the modified cash basis of accounting, the City's Deferred Compensation Plan is not included in the general purpose financial statements. The City's Plan does not meet the criteria for reporting the Deferred Compensation Plan in a fiduciary fund.

Note 8 - Risk Management

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

The City is a member of the St. Louis Area Insurance Trust (SLAIT), a non-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 emphasis on loss control, claims administration, and management information services. SLAIT is fully funded by its member participants and employs an outside service company to process all claims.

Coverage is provided by the trust for general and auto liability subject to a \$500 deductible per occurrence for third party property damage and for law enforcement liability subject to a \$2,500 deductible per occurrence. Any damage to city property carries a \$5,000 deductible. This trust also 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 assets, liabilities, or fund balances of the insurance trust. However, the City is contingently liable 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 2023 premium payments incurred to the trust totaled \$280,948.

The City also purchases commercial insurance to cover risks related to building and other City property, crimes, business, 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 9 - State and Local Fiscal Recovery Funds (SLFRF)

During the previous fiscal years, the City was a recipient of \$1,990,009 of State and Local Fiscal Recovery Funds (SLFRF). This program was authorized by the American Rescue Plan Act to support response to and recovery from the COVID-19 public health crisis. These essential funds are designated to fight the pandemic and support families and businesses struggling with its public health and economic impacts; maintain vital public services, even amid declines in revenue resulting from the crisis; and build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 9 - State and Local Fiscal Recovery Funds (SLFRF)(continued)

The City has adopted an accounting policy to defer income from the SLFRF program expenditures of the funds are made. An accounting of the funds for the year ended December 31, 2023 is as follows:

Unearned revenue (SLFRF) as of December 31, 2022	\$ 749,598
Add: SLFRF grant funds received	-
Less: SLFRF grant funds expended	<u>(749,598)</u>
Unearned revenue (SLFRF) as of December 31, 2023	<u><u>-</u></u>

Note 10 - Conduit Debt Obligations

On December 30, 2022, the City issued a series of Industrial Revenue Bonds to provide financial assistance to a private sector entity for the purpose of acquiring, constructing, and equipping an industrial development project deemed to be in the public interest. The bonds will be secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. All of the Industrial Revenue bonds are structured to pay the principal balance at maturity. The principal balance outstanding on the Midas Ellisville, LLC Project, Series 2022, was \$244,091. The project will mature on January 1, 2025.

Note 11 - Claims and Contingencies

Litigation

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed and determinable in amount. At this time, a reasonable estimate as to the amount or range of potential loss and/or gain cannot be provided.

Federal and State Assisted Programs

The City has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 12 - Missouri Legislation

House Bill 103 amending Section 302.341.2 RSMo became effective on August 28, 2013. The amendments to the statute now require municipalities to report an accounting of the percent of annual general operating revenue from fines and court costs for traffic violations. The City was not required to and did not account for the fines and court costs for traffic violations separately from the total fines and court costs prior to August 28, 2013. In 2023, total fines and court costs revenues for the fiscal year, which include fines and court costs related to traffic violations, summed to \$101,509. “Annual general operating revenue of the city” is not defined in the amended statute and may or may not include various sources of the City’s revenues. However, the City’s general revenue fund tax revenue alone totaled \$5,657,756. Using general fund tax revenue and total fines and court costs as the “annual general operating revenue”, the City’s total fines and court costs revenues are only 1.76% of this total “annual general operating revenue”, which is substantially below the 30% threshold requirement of the amended statute. This clearly demonstrates at a minimum that the City in no way exceeded the percentage requirement regardless of how “annual general operating revenue” is calculated.

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 13 - Tax Abatements

During the year ended December 31, 2016, the City adopted GASB Statement No. 77, *Tax Abatement Disclosure*, as applicable to the modified cash basis of accounting, which seeks to assist users of the financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The City has determined that there are no tax abatement agreements which require disclosure for the year ended December 31, 2023.

Note 14 - Subsequent Events

Management has evaluated events subsequent to December 31, 2023 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through June 18, 2024, the date the financial statements were available to be issued.

Note 15 - Change in the Basis of Accounting/Change in Accounting Policy

In 2023, the City adopted a policy of preparing the financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Adoption of this basis of accounting was done in order to reduce the burden associated with financial reporting and closing and to align financial reporting with the City's day-to-day accounting practices. Accordingly, the financial statements are not intended to present financial position and results of the City's operations in accordance with accounting principles generally accepted in the United States of America. Beginning net position and beginning fund balances have been restated to reflect the modified cash basis of accounting. Additionally, the City has updated its investment policy to align with the policies set forth in Missouri Securities Investment Program. This change has resulted in the consolidation of the Contingency Fund with the General Fund for financial reporting. These restatements are as follows:

	<u>Governmental Activities</u>		
Beginning net position, as previously stated on December 31, 2022:	\$ 41,596,910		
Adjustment due to change in basis of accounting	<u>(31,167,856)</u>		
Beginning net position, as restated on December 31, 2022	<u>\$ 10,429,054</u>		
	<u>General</u>	<u>Storm Water</u>	<u>Parks</u>
	<u>Fund</u>	<u>Control</u>	<u>Fund</u>
Beginning fund balance, as previously stated on December 31, 2022:	\$ 3,058,826	\$ 1,219,442	\$ 406,528
Adjustment due to change in basis of accounting	(750,339)	(303,138)	(125,430)
Adjustment due to change in investment policy	626,287	-	-
Beginning fund balance, as restated on December 31, 2022	<u>\$ 2,934,774</u>	<u>\$ 916,304</u>	<u>\$ 281,098</u>
	<u>Capital</u>	<u>Government</u>	<u>Nonmajor</u>
	<u>Infrastructure</u>	<u>Center Loan</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
Beginning fund balance, as previously stated on December 31, 2022:	\$ 227,098	\$ 6,074,881	\$ 520,930
Adjustment due to change in basis of accounting	(500,102)	-	(25,929)
Beginning fund balance, as restated on December 31, 2022	<u>\$ (273,004)</u>	<u>\$ 6,074,881</u>	<u>\$ 495,001</u>

City of Ellisville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2023

Note 15 - Change in the Basis of Accounting/Change in Accounting Policy (continued)

	<u>Total</u>
Beginning fund balance, as previously stated on December 31, 2022:	\$ 11,507,705
Adjustment due to change in basis of accounting	(1,704,938)
Adjustment due to change in investment policy	<u>626,287</u>
Beginning fund balance, as restated on December 31, 2022	<u><u>\$ 10,429,054</u></u>

Supplementary Information

City of Ellisville, Missouri
Combining Balance Sheet - Non-Major Governmental Funds - Modified Cash Basis
December 31, 2023

	Equipment Replacement Fund	Sewer Lateral Fund	Police Foundation Fund	Total
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-
Prepaid items	-	-	-	-
Due from other funds	-	340,052	81,098	421,150
Total Assets	-	340,052	81,098	421,150
Deferred Outflows of Resources				
	-	-	-	-
Total Assets and Deferred Outflows of Resources	<u>\$ -</u>	<u>\$ 340,052</u>	<u>\$ 81,098</u>	<u>\$ 421,150</u>
Liabilities				
Payroll related liabilities	\$ -	\$ -	\$ -	\$ -
Court bonds payable	-	-	-	-
Unearned revenue	-	-	-	-
Funds held for others	-	-	-	-
Due to other funds	91,449	-	-	91,449
Total liabilities	91,449	-	-	91,449
Deferred Inflows of Resources				
	-	-	-	-
Fund Balance				
Restricted:				
Capital projects	-	-	-	-
Sewer repairs	-	340,052	-	340,052
Law enforcement operations	-	-	81,098	81,098
Unassigned	(91,449)	-	-	(91,449)
Total Fund Balances	(91,449)	340,052	81,098	329,701
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 340,052</u>	<u>\$ 81,098</u>	<u>\$ 421,150</u>

City of Ellisville, Missouri
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds - Modified Cash Basis
For the year ended December 31, 2023

	Equipment Replacement Fund	Sewer Lateral Fund	Police Foundation Fund	Total
Revenues				
Property taxes	\$ -	\$ 100,691	\$ -	\$ 100,691
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	205	4,468	1,438	6,111
Other	-	-	3,792	3,792
Total Revenues	<u>205</u>	<u>105,159</u>	<u>5,230</u>	<u>110,594</u>
Expenditures				
Current:				
Administrative	-	-	-	-
Police	-	-	-	-
Public works	-	11,078	-	11,078
Planning, inspections, and engineering	-	-	-	-
Municipal court	-	-	-	-
Recreation	-	-	-	-
Capital outlay	374,985	133,966	30,135	539,086
Debt service:				
Principal	39,098	-	-	39,098
Interest and fiscal charges	1,632	-	-	1,632
Debt issuance costs	-	-	-	-
Total Expenditures	<u>415,715</u>	<u>145,044</u>	<u>30,135</u>	<u>590,894</u>
Excess (Deficiency) of Revenues over Expenditures	(415,510)	(39,885)	(24,905)	(480,300)
Other Financing Sources (Uses)				
Proceeds from sale of surplus property	-	-	-	-
Issuance of notes payable	-	-	-	-
Transfers in	315,000	-	-	315,000
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>315,000</u>	<u>-</u>	<u>-</u>	<u>315,000</u>
Net Change in Fund Balance	\$ (100,510)	\$ (39,885)	\$ (24,905)	\$ (165,300)
Fund Balance, January 1 (restated)	<u>9,061</u>	<u>379,937</u>	<u>106,003</u>	<u>495,001</u>
Fund Balance, December 31	<u><u>\$ (91,449)</u></u>	<u><u>\$ 340,052</u></u>	<u><u>\$ 81,098</u></u>	<u><u>\$ 329,701</u></u>

City of Ellisville, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Modified Cash Basis
For the year ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 425,000	\$ 425,000	\$ 448,903	\$ 23,903
Taxes - other	5,283,000	5,283,000	5,208,853	(74,147)
Intergovernmental	760,000	760,000	822,584	62,584
Licenses and permits	756,300	756,300	866,198	109,898
Fines and forfeitures	71,000	71,000	103,179	32,179
Charges for services	37,500	37,500	49,141	11,641
Investment income	8,100	8,100	131,091	122,991
Other	9,800	9,800	609,462	599,662
Total Revenues	<u>7,350,700</u>	<u>7,350,700</u>	<u>8,239,411</u>	<u>888,711</u>
Expenditures				
Current:				
Administrative	2,650,145	2,650,145	2,629,087	(21,058)
Police	3,451,172	3,451,172	3,427,887	(23,285)
Public works	1,681,775	1,681,775	1,682,451	676
Planning, inspections, and engineering	481,212	981,212	447,779	(533,433)
Municipal court	169,340	169,340	130,300	(39,040)
Recreation	-	-	-	-
Capital outlay	271,495	271,495	249,029	(22,466)
Debt service:				
Principal	-	-	9,775	9,775
Interest and fiscal charges	-	-	5,289	5,289
Debt issuance costs	-	-	-	-
Total Expenditures	<u>8,705,139</u>	<u>9,205,139</u>	<u>8,581,597</u>	<u>(623,542)</u>
Excess (Deficiency) of Revenues over Expenditures	(1,354,439)	(1,854,439)	(342,186)	1,512,253
Other Financing Sources (Uses)				
Proceeds from sale of surplus property	-	-	25,039	25,039
Issuance of notes payable	-	-	-	-
Transfers in	3,091,000	3,091,000	-	(3,091,000)
Transfers out	(1,703,000)	(1,703,000)	(315,000)	1,388,000
Total Other Financing Sources (Uses)	<u>1,388,000</u>	<u>1,388,000</u>	<u>(289,961)</u>	<u>(1,677,961)</u>
Net Change in Fund Balance	<u>\$ 33,561</u>	<u>\$ (466,439)</u>	\$ (632,147)	<u>\$ (165,708)</u>
Fund Balance, January 1 (restated)			<u>2,934,774</u>	
Fund Balance, December 31			<u>\$ 2,302,627</u>	

City of Ellisville, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Storm Water Projects Fund - Modified Cash Basis
For the year ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	1,891,000	1,891,000	1,758,118	(132,882)
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	5,200	5,200	12,962	7,762
Other	-	-	-	-
Total Revenues	<u>1,896,200</u>	<u>1,896,200</u>	<u>1,771,080</u>	<u>(125,120)</u>
Expenditures				
Current:				
Administrative	-	-	-	-
Police	-	-	-	-
Public works	-	-	-	-
Planning, inspections, and engineering	497,860	497,860	276,240	(221,620)
Municipal court	-	-	-	-
Recreation	-	-	-	-
Capital outlay	1,148,400	1,148,400	1,149,968	1,568
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	<u>1,646,260</u>	<u>1,646,260</u>	<u>1,426,208</u>	<u>(220,052)</u>
Excess (Deficiency) of Revenues over Expenditures	249,940	249,940	344,872	94,932
Other Financing Sources (Uses)				
Proceeds from sale of surplus property	-	-	-	-
Issuance of notes payable	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 249,940</u>	<u>\$ 249,940</u>	<u>\$ 344,872</u>	<u>\$ 94,932</u>
Fund Balance, January 1 (restated)			<u>916,304</u>	
Fund Balance, December 31			<u><u>\$ 1,261,176</u></u>	

City of Ellisville, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Parks Fund - Modified Cash Basis
For the year ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	791,000	791,000	757,755	(33,245)
Intergovernmental	877,067	877,067	420,067	(457,000)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	351,000	351,000	384,646	33,646
Investment income	600	600	2,721	2,121
Other	4,000	4,000	750	(3,250)
Total Revenues	<u>2,023,667</u>	<u>2,023,667</u>	<u>1,565,939</u>	<u>(457,728)</u>
Expenditures				
Current:				
Administrative	-	-	-	-
Police	-	-	-	-
Public works	-	-	-	-
Planning, inspections, and engineering	-	-	-	-
Municipal court	-	-	-	-
Recreation	996,430	996,430	916,183	(80,247)
Capital outlay	1,168,700	1,168,700	932,515	(236,185)
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	<u>2,165,130</u>	<u>2,165,130</u>	<u>1,848,698</u>	<u>(316,432)</u>
Excess (Deficiency) of Revenues over Expenditures	(141,463)	(141,463)	(282,759)	(141,296)
Other Financing Sources (Uses)				
Proceeds from sale of surplus property	-	-	-	-
Issuance of notes payable	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (141,463)</u>	<u>\$ (141,463)</u>	<u>\$ (282,759)</u>	<u>\$ (141,296)</u>
Fund Balance, January 1 (restated)			<u>281,098</u>	
Fund Balance, December 31			<u><u>\$ (1,661)</u></u>	

City of Ellisville, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Infrastructure Fund - Modified Cash Basis
For the year ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 330,000	\$ 330,000	\$ 361,458	\$ 31,458
Taxes - other	2,081,500	2,081,500	2,004,035	(77,465)
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	7,500	7,500	10,205	2,705
Other	-	-	-	-
Total Revenues	<u>2,419,000</u>	<u>2,419,000</u>	<u>2,375,698</u>	<u>(43,302)</u>
Expenditures				
Current:				
Administrative	-	-	-	-
Police	-	-	-	-
Public works	-	-	-	-
Planning, inspections, and engineering	-	-	-	-
Municipal court	-	-	-	-
Recreation	-	-	-	-
Capital outlay	438,300	438,300	278,606	(159,694)
Debt service:				
Principal	-	-	286,032	286,032
Interest and fiscal charges	-	-	161,375	161,375
Debt issuance costs	-	-	-	-
Total Expenditures	<u>438,300</u>	<u>438,300</u>	<u>726,013</u>	<u>287,713</u>
Excess (Deficiency) of Revenues over Expenditures	1,980,700	1,980,700	1,649,685	(331,015)
Other Financing Sources (Uses)				
Proceeds from sale of surplus property	-	-	-	-
Issuance of notes payable	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,703,000)	(1,703,000)	-	1,703,000
Total Other Financing Sources (Uses)	<u>(1,703,000)</u>	<u>(1,703,000)</u>	<u>-</u>	<u>1,703,000</u>
Net Change in Fund Balance	<u>\$ 277,700</u>	<u>\$ 277,700</u>	\$ 1,649,685	<u>\$ 1,371,985</u>
Fund Balance, January 1 (restated)			<u>(273,004)</u>	
Fund Balance, December 31			<u>\$ 1,376,681</u>	

City of Ellisville, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Government Center Loan Fund - Modified Cash Basis
For the year ended December 31, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Over (Under)
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	100,000	100,000	303,088	203,088
Other	-	-	-	-
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>303,088</u>	<u>203,088</u>
Expenditures				
Current:				
Administrative	-	-	-	-
Police	-	-	-	-
Public works	-	-	-	-
Planning, inspections, and engineering	-	-	-	-
Municipal court	-	-	-	-
Recreation	-	-	-	-
Capital outlay	4,825,000	4,825,000	2,898,497	(1,926,503)
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	15,250	15,250
Total Expenditures	<u>4,825,000</u>	<u>4,825,000</u>	<u>2,913,747</u>	<u>(1,911,253)</u>
Excess (Deficiency) of Revenues over Expenditures	(4,725,000)	(4,725,000)	(2,610,659)	2,114,341
Other Financing Sources (Uses)				
Proceeds from sale of surplus property	-	-	-	-
Issuance of notes payable	-	-	3,000,000	3,000,000
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>
Net Change in Fund Balance	<u>\$ (4,725,000)</u>	<u>\$ (4,725,000)</u>	<u>\$ 389,341</u>	<u>\$ 5,114,341</u>
Fund Balance, January 1 (restated)			<u>6,074,881</u>	
Fund Balance, December 31			<u><u>\$ 6,464,222</u></u>	

City of Ellisville, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Equipment Replacement Fund - Modified Cash Basis
For the year ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	100	205	105
Other	-	-	-	-
Total Revenues	<u>100</u>	<u>100</u>	<u>205</u>	<u>105</u>
Expenditures				
Current:				
Administrative	-	-	-	-
Police	-	-	-	-
Public works	-	-	-	-
Planning, inspections, and engineering	-	-	-	-
Municipal court	-	-	-	-
Recreation	-	-	-	-
Capital outlay	312,730	312,730	374,985	62,255
Debt service:				
Principal	-	-	39,098	39,098
Interest and fiscal charges	-	-	1,632	1,632
Debt issuance costs	-	-	-	-
Total Expenditures	<u>312,730</u>	<u>312,730</u>	<u>415,715</u>	<u>102,985</u>
Excess (Deficiency) of Revenues over Expenditures	(312,630)	(312,630)	(415,510)	(102,880)
Other Financing Sources (Uses)				
Proceeds from sale of surplus property	-	-	-	-
Issuance of notes payable	-	-	-	-
Transfers in	315,000	315,000	315,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>315,000</u>	<u>315,000</u>	<u>315,000</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 2,370</u>	<u>\$ 2,370</u>	\$ (100,510)	<u>\$ (102,880)</u>
Fund Balance, January 1 (restated)			<u>9,061</u>	
Fund Balance, December 31			<u>\$ (91,449)</u>	

City of Ellisville, Missouri
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Sewer Fund - Modified Cash Basis
For the year ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Property taxes	\$ 95,000	\$ 95,000	\$ 100,691	\$ 5,691
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,000	1,000	4,468	3,468
Other	-	-	-	-
Total Revenues	<u>96,000</u>	<u>96,000</u>	<u>105,159</u>	<u>9,159</u>
Expenditures				
Current:				
Administrative	-	-	-	-
Police	-	-	-	-
Public works	22,225	22,225	11,078	(11,147)
Planning, inspections, and engineering	-	-	-	-
Municipal court	-	-	-	-
Recreation	-	-	-	-
Capital outlay	129,000	129,000	133,966	4,966
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
Total Expenditures	<u>151,225</u>	<u>151,225</u>	<u>145,044</u>	<u>(6,181)</u>
Excess (Deficiency) of Revenues over Expenditures	(55,225)	(55,225)	(39,885)	15,340
Other Financing Sources (Uses)				
Proceeds from sale of surplus property	-	-	-	-
Issuance of notes payable	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (55,225)</u>	<u>\$ (55,225)</u>	<u>\$ (39,885)</u>	<u>\$ 15,340</u>
Fund Balance, January 1 (restated)			<u>379,937</u>	
Fund Balance, December 31			<u><u>\$ 340,052</u></u>	

City of Ellisville, Missouri
Notes to the Supplementary Information
For the year ended December 31, 2023

Note 1 - Explanation of Budgetary Process

In accordance with the City's charter, the City Council (Council) adopts an annual budget for its General, Special Revenue, and Capital Projects Funds, which are all of the City's funds. The City follows these procedures in establishing the budgetary data reflected in the financial statements:

- * The Director of Finance, with the assistance of the department heads, prepares a budget of estimated revenues and expenditures for the forthcoming year and delivers the budget to the City Manager.
- * The City Manager reviews the proposed expenditures with the Director of Finance and the department heads and, after necessary revisions have been made, submits the budget and the accompanying written narrative at least 90 days prior to the beginning of each fiscal year to the Council.
- * After appropriate public notice, the Council holds a public hearing on the proposed budget.
- * After the public hearing, the Council may adopt the budget with or without amendments. In amending the budget, it may add or increase programs or amounts and may delete or decrease any programs or amounts except expenditures required by law, for debt service, or for estimated cash deficits, provided that no amendments to the budget shall increase the authorized expenditures to an amount greater than the total of the estimated revenues and unencumbered or undesignated fund balance from any previous fiscal year.
- * The budget shall be adopted by the affirmative vote of a majority of the members of the Council on or before the last day of the current fiscal year. The legal level of budgetary control for the City is at the fund level.
- * If the Council fails to adopt the budget by this date, amounts appropriated for existing City operations during the current fiscal year shall be deemed adopted for the ensuing fiscal year on a prorated month-to-month basis until the Council adopts a budget.
- * The City Manager may transfer all or any part of any budgeted amounts within a department. The Council may, by ordinance, transfer all or part of any budget amount from one department to another. Monies held in unrestricted fund balance shall be transferred or appropriated only by ordinance of the Council.
- * The Council may, by ordinance, make supplemental appropriations if the City Manager certifies that funds will be available for such expenditures.
- * At the end of each budget period, all unexpended appropriated balances lapse and may be reappropriated in the next budget period.
- * The City's budgets are prepared on the modified cash basis of accounting.

During the audit, it was noted that the City's actual expenditures exceeded budgeted expenditures in the following fund: Equipment Replacement Fund.