

CITY OF ELLISVILLE, MISSOURI

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2010***

Prepared by: Finance Department

CITY OF ELLISVILLE, MISSOURI

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CITY OF ELLISVILLE, MISSOURI

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CITY OF ELLISVILLE, MISSOURI
PRINCIPAL CITY OFFICIALS
DECEMBER 31, 2010

MAYOR
Matt Pirrello

CITY COUNCIL MEMBERS

Dawn Anglin, District I
Clark Compton, District I

Linda Reel, District II
Troy Pieper, District II

Michelle Murray, District III and Mayor Pro Tempore
Roze Acup, District III

COUNCIL-APPOINTED OFFICIALS

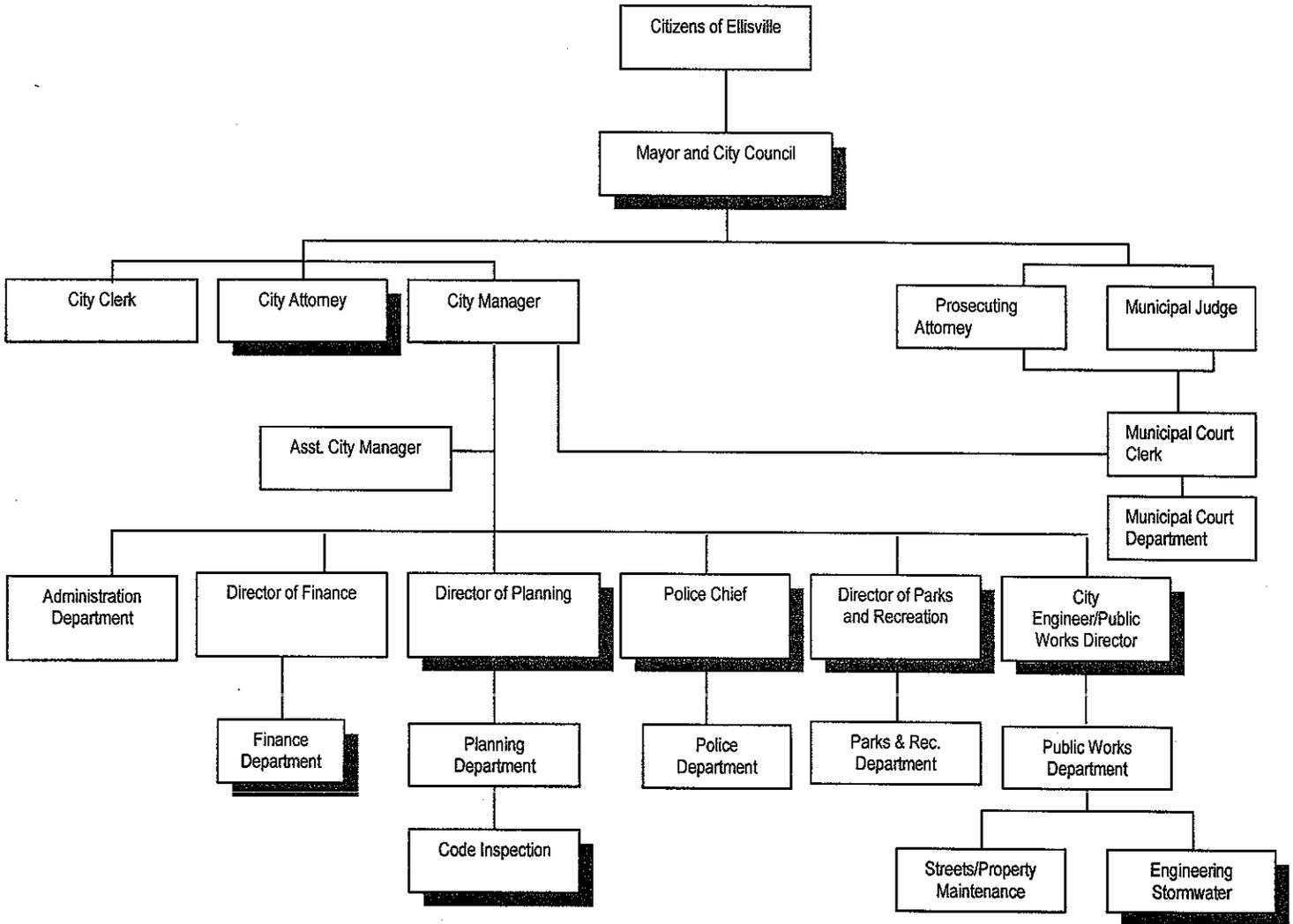
Kevin Bookout, City Manager
Paul Martin, City Attorney and Prosecuting Attorney
Catherine Demeter, City Clerk
Donald Anderson, Municipal Judge

MANAGEMENT STAFF

Erik Sterman, Assistant City Manager
Lisa Blumer, Director of Parks and Recreation
Ada Hood, Director of Planning
Tom Felgate, Chief of Police
Denah Brooks, Municipal Court Clerk
Bill Schwer, City Engineer/Director of Public Works
Donald Cary, Finance Director

City of Ellisville, Missouri

Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Ellisville
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



City of Ellisville

May 25, 2011

The Honorable Matt Pirrello, Members of the Ellisville City Council and citizens of Ellisville:

The Comprehensive Annual Financial Report of the City of Ellisville, Missouri (the City) for the fiscal year ended December 31, 2010 is hereby submitted. Responsibility for both the accuracy and the completeness rests with the City. To the best knowledge and belief of management, the data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: (i) introductory, (ii) financial, (iii) statistical, and (iv) compliance. The introductory section includes this letter of transmittal, the City's organizational structure and a list of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis, government-wide and fund financial statements and schedules, required supplementary information, and other supplemental information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The compliance section includes the report on internal control over financial reporting and on compliance performed in accordance with *Government Auditing Standards*.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City defines its financial reporting entity in accordance with the provisions established by the Government Accounting Standards Board (GASB). GASB requirements for inclusion of component units are primarily based on whether the City's governing body has any significant amount of financial accountability for potential component units. Based on these criteria, the financial statements include all funds, agencies, boards, commissions and authorities for which the City is financially accountable. The City does appoint a majority of the governing members of the Ellisville Industrial Development Authority; however the City's accountability does not extend beyond making such appointments. As such, this related organization is not included as a component unit within the City's financial reporting entity.

PROFILE OF THE CITY

The City of Ellisville is located in western St. Louis County, Missouri. Ellisville was first settled in 1832. The City was incorporated on May 23, 1932 for the purpose of creating a school district. On August 3, 1993, the City voters overwhelmingly approved a Home Rule Charter that created the current Council/Manager form of government.

Many factors come together in Ellisville to make it such a great place to live. The City is located in the AAA-rated Rockwood School District. The City has over 230 acres of park land in 11 parks in various residential areas along with an interconnecting trail system. Ellisville has been awarded the National Arbor Day foundation's designation of "Tree City USA" for 29 consecutive years. The residential area includes single-family homes, townhouses, apartments, duplexes and condominiums. More than 600 businesses call Ellisville home. With one of the lowest crime rates in St. Louis County and numerous services and facilities, Ellisville is truly one of the best places to live.

The City is located approximately 13 miles west of the western city limit of St. Louis. Ellisville is located approximately five (5) miles south of I-64, five (5) miles north of I-44 and seven (7) miles west of I-270. There are two state highways that bisect the City: Highway 100 (Manchester Road) and Highway 340 (Clarkson Road). The approximate 4.3 square miles of Ellisville are bordered by the cities of Clarkson Valley to the north, Ballwin to the east and southeast and Wildwood to the west. Due to the 1995 incorporation of Wildwood and a 1999 annexation by Ballwin, the City of Ellisville is nearly landlocked.

The City Manager and the City Clerk are appointed by the City Council and serve at the pleasure of the Mayor and Council. The City Manager is responsible for directing, supervising, and monitoring all City departments, personnel and operations, and managing the City in a fiscally prudent manner.

The City provides a full range of services normally associated with a municipality, including law enforcement, public works, planning and zoning, code enforcement, parks and recreation, general administration, the construction, maintenance and repair of infrastructure (roadways, sidewalks, stormwater systems, snow removal, etc.), street lights, and solid waste collection and disposal. The City's parks include tennis courts, playgrounds, sports fields, multi-purpose trails and a new pool complex.

Additional information is available on the City's website at www.ellisville.mo.us.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. The City has been impacted by the recession like most governmental units. Still there have been close to 600 business licenses issued for the license year that began July 1, 2010. The economy in the City of Ellisville is closely tied to the economy throughout the St. Louis metropolitan area. While the economy is recovering, real estate and employment continue to be issues that are straining this recovery.

During this time the City has worked to put itself in a good position for the recovery. In addition to the Ellisville Business Park and the newer retail center anchored by LifeTime Fitness, the City has reviewed other areas for possible redevelopment. This review and planning process has included several factors including the following.

- The City is a part of five west county cities which are developing the “Great Streets Project” to address traffic and redevelopment issues along the Highway 100 (Manchester Rd.) corridor.
- The City has also been working with an urban planning consultant to consider opportunities for future development and redevelopment.
- The City strives to create a balance among land uses as it considers future development and redevelopment. This is done through strong zoning controls, and the City has been zoned in such a manner as to avoid the negative externalities of commercial and industrial districts from encroaching into the residential neighborhoods.

In addition to the impact the economy has on the City, there have also been impacts imposed by the State of Missouri. The method of determining sales tax distributions to cities in St. Louis County was changed by the State in the past. The distribution sales taxes in St. Louis County redistributes sales taxes earned in Ellisville to other areas of the County. Automobile sales in Ellisville have another redistribution that has lowered the City’s revenue. The City will continue to strive for more fair distributions of taxes when possible.

Long-Term Financial Planning. Each year the City updates its five-year capital improvement plan. Projects totaling over \$26.8 million are planned for the years 2011 – 2015. Approximately \$10.5 million of this is for stormwater improvements which is made possible through the ½ cent stormwater sales tax. A ½ cent capital improvements sales tax has been approved by the citizens of Ellisville which will take effect on October 1, 2011. This new revenue source along with revenue from the gasoline and motor vehicle tax, grants, cigarette tax, ¼ cent sales tax for parks and recreation as well as money the City has in reserves will be utilized for the other capital improvements.

Relevant Financial Policies. The City has a policy to maintain a budgeted fund balance with at least two months (2/12th) of expenditures covered. This policy was established to keep cash flow during the year from having a negative impact on the ability of the City to provide services. Sales taxes are received monthly, but the largest amounts are received quarterly. Property taxes are based upon the first day of the fiscal year, but the actual receipts are not due until the last day of the fiscal year. This policy has been successful in allowing the City to provide services throughout the year even with the timing of these revenues.

The City's financial policies also include providing the funds that are necessary to:

- Preserving current levels of City services,
- Address capital improvement needs and infrastructure,
- Increase the levels of customer service,
- Expand or improve municipal facilities,
- Improve traffic safety, security and law enforcement, and
- Continue its ongoing commitment to enhance communications with its constituencies.

SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

During 2010, the City experienced several significant events or accomplishments that may not be evident from a review of the general-purpose financial statements. Some of the more important events/accomplishments are summarized below:

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Presentation Award to the City for its annual budget for the fiscal year beginning

January 1, 2010. This is the fifteenth consecutive year in which the City has applied for and received this award. In order to receive this award, a governmental unit must present a budget document that meets the following program criteria: a policy document, an operations guide, a financial plan, and a communications device.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Ellisville for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2009. This is the eighteenth consecutive year the City has received this prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This current CAFR continues to meet the Certificate of Achievement Program's requirements and is being submitted to the GFOA to determine its eligibility for another certificate.

The City completed its fifteenth year of the 21-Year Storm Water Improvement Program. This program is funded through a ½ cent sales tax, approved by City voters in November 1995. This program is designed to bring all storm water facilities up-to-date by installing storm water infrastructure where none exists and upgrading inadequate systems. The program includes the installation or upgrading of major trunk lines and facilities serving smaller neighborhood systems.

The City continued its annual Strategic Planning Program. Survey and planning work takes place just prior to beginning the budget formulation process. The nature of this program also allows the City to trend-analyze the success of its services over the years, identify and isolate areas for improvement, as well as gain necessary insight to the views of residents at-large.

Other events and accomplishments include the following:

- Renovation of Whippoorwill Trail and completion of the Macklin Trail Extension.
- Completion of street and stormwater improvements on Vero Ln., Debula Dr. and Hilltop Rd.
- Continuation of the City's twice-per-year maintenance program for all park trails.
- Continuation of the City's \$28 per year sewer lateral fee that is to be used for a financially sound fund to repair broken sewer laterals.
- More than 12,500 calls for police service were provided with about 50 of them being for criminal investigations.
- The Court handled approximately 11,500 new cases being filed during the year with over 43,000 pending at the end of the year.
- The average police response time to emergencies remained at 3.24 minutes.

FINANCIAL INFORMATION

The City's accounting system is designed around the following basic principles:

1. The City is comprised of various entities, each with its separate functions and legal restrictions on the use of resources. In the private sector, a corporation may have many "subsidiaries" which make up the Parent Corporation. In the public sector, a city government may have a variety of "funds" that provides the basis for separately recording the financial data related to a specific activity. A fund is an accounting entity with a complete set of self-balancing accounting records. Each fund has been established because of some restriction on the use of resources received by that fund.
2. Internal controls exist within the accounting system to ensure safety of assets from misappropriation, unauthorized use or disposition and to maintain the accuracy of financial record keeping. These internal controls must be established consistent with sound management practices based on the cost/benefit of the controls imposed. The cost of a control should not be excessive in relation to its benefit as viewed by the City's management. The internal controls in existence within the City's system are sufficient to ensure, in all material aspects, both the safety of the City's assets and the accuracy of the financial record keeping system.
3. In addition, the City maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions. The annual appropriation resolution (which gives the City its legal authority to spend) is adopted for the City's governmental and expendable trust fund types. Management requires that each Department Director stay within his or her individual departmental budgets. Finance monitors the budget for any cost overruns and notifies the Department Director and the City Manager. The Finance Department continually strives to provide accurate and timely financial information, as well as maintain an adequate system of controls in order to meet its responsibility of sound financial management.

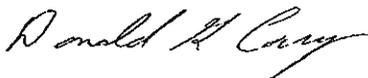
ACKNOWLEDGMENTS

This report would not have been possible without the assistance of the City Manager and all the staff. Their cooperation has certainly been appreciated. The amount of time and effort expended by all participants to complete this document is tremendous. The staff's commitment to providing the information in this report is truly necessary as we strive to continue the long tradition of excellence in financial reporting the City has come to expect.

The City's auditors, Botz, Deal & Company, P.C., should also be recognized for their assistance, recommendations and expertise in formulating this report.

None of this would have been accomplished without the leadership of the Mayor and City Council with their concern for the financial well-being of the City and quality reporting to the citizens of the City of Ellisville.

Respectfully submitted,



Donald G. Cary
Finance Director

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ellisville, Missouri, as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Ellisville, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ellisville, Missouri, as of December 31, 2010, and the respective changes in the financial position where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 31 and 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Ellisville, Missouri's financial statements as a whole. The introductory section, other supplemental information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Botz, Deal & Company

May 25, 2011

**CITY OF ELLISVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2010**

The discussion and analysis of the City of Ellisville's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended December 31, 2010. It should be read in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- On a government-wide basis the assets of the City of Ellisville exceeded its liabilities for the most recent fiscal year by \$31,208,788.
- As of the close of the current fiscal year, the City of Ellisville's governmental funds reported combined ending fund balances of \$5,221,650, an increase of \$742,777 in comparison to the prior year.
- The City's total net assets increased by \$865,676.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$1,641,289 or 30.1% of total general fund expenditures, 12.1% above the target in the city's fiscal policy.
- The City of Ellisville's total debt decreased by \$560,000 during the current fiscal year, as a result of continued annual payments on certificates of participation and a note payable.
- During the fiscal year, the City's general fund revenues exceeded the expenditures by \$480,958.

REPORT LAYOUT

The report consists of the Management's Discussion and Analysis (MD&A), government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as police, public works, parks and recreation, planning, inspection and engineering, municipal courts and general government administration. The City currently does not have any business-type activities. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

Basic Financial Statements

- The Statement of Net Assets focuses on resources available for future operation. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities reflect capital assets including infrastructure and long-term liabilities. Also, governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Non-major Funds". Budgetary comparisons for the General Fund and major special revenue funds are now presented as required supplementary information.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

THE CITY AS A WHOLE

Government-wide Financial Analysis

The City's combined net assets were \$31,208,788 as of December 31, 2010. This analysis focuses on the net assets (table 1) and changes in general revenues (table 2) and significant expenses of the City's governmental activities.

The City's net assets consist of its investment in capital assets (e.g., land, buildings and improvements, vehicles and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1

	2010	2009	Increase (Decrease)
Current and other assets	\$ 6,432,954	\$ 5,556,313	\$ 876,641
Capital assets	31,547,172	31,991,017	(443,845)
Total assets	<u>37,980,126</u>	<u>37,547,330</u>	<u>432,796</u>
Current and other liabilities	1,028,630	908,552	120,378
Long-term liabilities	5,742,708	6,295,666	(552,958)
Total liabilities	<u>6,771,338</u>	<u>7,204,218</u>	<u>(432,580)</u>
Net assets:			
Invested in capital assets, net of related debt	25,999,283	25,889,334	109,949
Restricted	3,233,607	2,600,744	632,863
Unrestricted	1,975,898	1,853,034	122,864
Total net assets	<u>\$ 31,208,788</u>	<u>\$ 30,343,112</u>	<u>\$ 865,676</u>

Governmental activities increased the City's net assets by \$865,676. The key elements of this increase are as follows:

Table 2

	2010	2009	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 1,712,020	\$ 1,702,175	\$ 9,845
Operating grants and contributions	647,294	974,640	(327,346)
General revenues:			
Taxes	6,569,024	6,637,717	(68,693)
Interest income	63,617	42,476	21,141
Gain on the disposal of capital assets	-	12,381	(12,381)
Miscellaneous	14,714	-	14,714
Total revenues	<u>9,006,669</u>	<u>9,369,389</u>	<u>(362,720)</u>
Expenses:			
Administrative	1,452,050	1,672,481	(220,431)
Police department	2,008,510	2,053,207	(44,697)
Public works	1,563,054	1,628,287	(65,233)
Planning, inspection and engineering	1,626,248	1,663,289	(37,041)
Municipal court	360,569	120,699	239,870
Recreation	875,619	694,965	180,654
Interest and fiscal charges	254,943	272,480	(17,537)
Total expenses	<u>8,140,993</u>	<u>8,105,408</u>	<u>35,585</u>
Increase in net assets	865,676	1,263,981	(398,305)
Net assets, beginning of year	30,343,112	29,079,131	1,263,981
Net assets, end of year	<u>\$ 31,208,788</u>	<u>\$ 30,343,112</u>	<u>\$ 865,676</u>

Revenues decreased by \$362,720 in 2010 compared to 2009. This decrease was due to two major factors: 1.) Fewer funds received for grants for improving playgrounds and trails in the parks department; 2.) Telephone tax revenue decreased as a result of receiving settlements from telephone companies over back taxes due in 2009. These decrease in revenues were expected and budgeted for accordingly.

Expenses were down \$35,585 from the prior year. This decrease in expenditures was due to management's effort to control costs due to decreasing expected revenues in 2010.

Governmental Funds

The following table presents the amount of General Fund Revenues from various sources on the modified accrual basis of accounting.

Table 3

	Fiscal Year Ending 2010	Fiscal Year Ending 2009	Increase (Decrease)	Percentage Change
General Fund:				
Taxes	\$ 4,554,626	\$ 4,672,073	\$ (117,447)	(2.5) %
Licenses, permits and inspection fees	517,430	596,329	(78,899)	(13.2)
Fines and court costs	813,618	543,260	270,358	49.8
Investment income	23,135	11,797	11,338	96.1
Charges for service	19,174	22,802	(3,628)	(15.9)
Miscellaneous	14,821	32,521	(17,700)	(54.4)
Total General Fund Revenues	\$ <u>5,942,804</u>	\$ <u>5,878,782</u>	\$ <u>64,022</u>	1.1 %

General Fund Revenues increased \$64,022 from last fiscal year. 76.6% of revenue in the General Fund comes from taxes, which include property tax, sales tax, utility gross receipt tax, and cigarette tax. Sales tax revenues were down \$38,634 from last year, utility taxes increased \$28,668 and property tax decreased \$10,787. These factors contributed to an overall decrease in tax revenue.

Revenue from licenses decreased \$78,899 due to a decrease in the number of businesses license renewals and a decrease in number building permits issued as a result of the ongoing economic hardships. Fines and court costs increased \$270,358 due to installation of red light cameras.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2010, the City had \$44,396,684 invested in a broad range of capital assets, including police and public works equipment, buildings, park facilities, and roads. (See Table 4 below.) This amount represents a net increase (including additions and deductions) of \$823,856 or 1.8% over the prior fiscal year. The City had street improvements totaling \$1,044,107 and park improvements of \$104,505 during the year. The City also purchased one new police car totaling \$24,378 and installed an additional air conditioning unit at city hall for \$7,900.

Table 4

	2010	2009	Increase (Decrease)
Land	\$ 2,276,529	\$ 2,276,529	\$ -
Construction in progress	219,825	364,132	(144,307)
Buildings and improvements	13,344,831	13,344,831	-
Vehicles and machinery	1,896,383	1,899,739	(3,356)
Infrastructure	26,659,116	25,687,597	971,519
Total	<u>\$ 44,396,684</u>	<u>\$ 43,572,828</u>	<u>\$ 823,856</u>

More detailed information on the City's capital assets is presented in note 3 of the financial statements.

DEBT

At year-end, the City had \$5,555,000 in outstanding debt compared to \$6,115,000 at the end of the prior fiscal year, a decrease of 9.2%.

Table 5

	2010	2009	Increase (Decrease)
Certificates of Participation	\$ 5,555,000	\$ 6,115,000	\$ (560,000)
Less: discounts	<u>(7,111)</u>	<u>(7,704)</u>	<u>(593)</u>
Total	<u>\$ 5,547,889</u>	<u>\$ 6,107,296</u>	<u>\$ (560,593)</u>

During the fiscal year, the City made principal payments totaling \$560,000 during the year. More detailed information on the City's long-term liabilities is presented in Note 4 of the financial statements.

THE CITY'S FUNDS

At the close of the City's fiscal year on December 31, 2010, the governmental funds of the City reported a combined fund balance of \$5,221,650. This ending fund balance increased \$742,777 in 2010 over 2009. This increase was attributable to more taxes collected in the Storm Water Projects Fund than costs incurred for 2010 scheduled projects.

General Fund Budgetary Highlights

For 2010, actual expenditures in the General Fund were \$5,461,846 compared to the budget amount of \$5,400,433. This was due to the installation of red light cameras.

For 2010, actual revenues in the General Fund were \$5,942,804 compared to the budget amount of \$5,720,900. This was primarily due to the installation of red light cameras in addition to increases in utility taxes stemming from the combination of a rate increase and a warmer summer in 2010 than 2009.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Great Recession has had a lasting impact on the City of Ellisville. Several automotive dealerships and other business have left the City. This situation has stabilized and the City's budget reflects this new reality.

The budget for fiscal year 2011 anticipates slightly lower sales tax receipts than in the prior year. An increase in grants of \$100,000 is the largest increase in budgeted revenue. Services have not been cut and the budget has a positive current year balance of \$80,000.

The General Fund budget anticipates an ending fund balance for fiscal year 2011 of \$1,310,330. This is more than \$355,000 over the amount required by the City's investment policy. The Capital Infrastructure Fund anticipates an ending fund balance of \$976,178. The required fund balance for this Fund is \$350,000. The Stormwater Control Fund anticipates an ending fund balance of \$1,108,313 which is greater than the preferred level of \$500,000.

The Council placed a ½% capital improvements sales tax on the ballot for April 2011. The citizens of Ellisville approved it. This sales tax will take effect on October 1, 2011 and will help the City continue street and other long term projects. This is one way the City is planning for a sound financial future.

The City of Ellisville has also worked to make redevelopment possible. The first project to be considered is a proposal to build a store that will be approximately 150,000 square feet in size. The developer has been selected. This project will be considered during fiscal year 2011 along with future redevelopment in a contingent area. This is an example of the primary way the City is planning for a sound financial future.

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 need additional financial information, contact:

Donald G. Cary
Finance Director
City of Ellisville, Missouri
One Weis Avenue
Ellisville, Missouri 63011

BASIC FINANCIAL SECTION

CITY OF ELLISVILLE, MISSOURI

STATEMENT OF NET ASSETS

DECEMBER 31, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 4,086,511
Taxes receivable:	
Property	988,164
Other	418,025
Cash and investments - restricted	778,782
Prepaid insurance	87,162
Deferred charges	74,310
Capital assets - net	
Nondepreciable	2,496,354
Depreciable	29,050,818
TOTAL ASSETS	<u>37,980,126</u>
LIABILITIES	
Accounts and retainage payable	193,624
Accrued interest payable	19,252
Accrued wages	119,829
Court bonds payable	13,440
Deposits payable	547,895
Other liabilities	54,571
Unearned revenue	15,000
Due to fiduciary fund	65,019
Noncurrent liabilities:	
Due in one year	760,000
Due in more than one year	4,982,708
TOTAL LIABILITIES	<u>6,771,338</u>
NET ASSETS	
Invested in capital assets, net of related debt	25,999,283
Restricted for:	
Debt service	778,782
Storm water	1,379,237
Sewer	370,725
Parks	236,924
Capital projects	467,939
Unrestricted	1,975,898
TOTAL NET ASSETS	<u>\$ 31,208,788</u>

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

CITY OF ELLISVILLE, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for Service	Operating Grants and Contributions	Revenue and Change in Net Assets
				Governmental Activities
Governmental Activities				
Administrative	\$ 1,452,050	\$ 474,151	\$ -	\$ (977,899)
Police department	2,008,510	816,718	-	(1,191,792)
Public works	1,563,054	91,032	647,294	(824,728)
Planning, inspection and engineering	1,626,248	59,353	-	(1,566,895)
Municipal court	360,569	-	-	(360,569)
Recreation	875,619	270,766	-	(604,853)
Interest and fiscal charges	254,943	-	-	(254,943)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 8,140,993	\$ 1,712,020	\$ 647,294	(5,781,679)
Taxes:				
Sales				4,314,488
Utility				1,661,236
Property				383,436
Franchise				70,676
Other				139,188
Interest income				63,617
Other miscellaneous revenue				14,714
TOTAL GENERAL REVENUES				6,647,355
CHANGE IN NET ASSETS				865,676
NET ASSETS BEGINNING OF YEAR				30,343,112
NET ASSETS END OF YEAR				\$ 31,208,788

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

CITY OF ELLISVILLE, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General Fund	Storm Water Projects Fund	Parks Fund	Capital Infrastructure Fund	Other Non-major Funds	Total
ASSETS AND OTHER DEBITS						
Cash and investments	\$ 1,817,717	\$ 1,178,307	\$ 144,929	\$ 327,686	\$ 617,872	\$ 4,086,511
Taxes receivable:						
Property	725,739	243,436	-	-	18,989	988,164
Other	171,313	-	104,859	141,853	-	418,025
Cash and investments - restricted	-	-	428,782	350,000	-	778,782
Prepaid items	87,162	-	-	-	-	87,162
TOTAL ASSETS	<u>\$ 2,801,931</u>	<u>\$ 1,421,743</u>	<u>\$ 678,570</u>	<u>\$ 819,539</u>	<u>\$ 636,861</u>	<u>\$ 6,358,644</u>
LIABILITIES						
Accounts payable	\$ 155,152	\$ 22,328	\$ 8,000	\$ 1,600	\$ 6,544	\$ 193,624
Accrued wages	109,787	5,178	4,864	-	-	119,829
Court bonds payable	13,440	-	-	-	-	13,440
Deposits payable	547,895	-	-	-	-	547,895
Other liabilities	54,571	-	-	-	-	54,571
Due to other funds	65,019	-	-	-	-	65,019
Deferred revenue	127,616	15,000	-	-	-	142,616
TOTAL LIABILITIES	<u>1,073,480</u>	<u>42,506</u>	<u>12,864</u>	<u>1,600</u>	<u>6,544</u>	<u>1,136,994</u>
FUND BALANCES:						
Fund balances:						
Reserved:						
Debt service	-	-	428,782	350,000	-	778,782
Capital projects	-	-	-	-	21,260	21,260
Prepaid items	87,162	-	-	-	-	87,162
Unreserved:						
General fund	1,641,289	-	-	-	-	1,641,289
Capital projects fund	-	-	-	467,939	20,199	488,138
Special revenue funds	-	1,379,237	236,924	-	588,858	2,205,019
TOTAL FUND BALANCES	<u>1,728,451</u>	<u>1,379,237</u>	<u>665,706</u>	<u>817,939</u>	<u>630,317</u>	<u>5,221,650</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,801,931</u>	<u>\$ 1,421,743</u>	<u>\$ 678,570</u>	<u>\$ 819,539</u>	<u>\$ 636,861</u>	<u>\$ 6,358,644</u>

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

CITY OF ELLISVILLE, MISSOURI
RECONCILIATION OF THE STATEMENT OF NET ASSETS
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET
AS OF DECEMBER 31, 2010

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

Total fund balance per balance sheet	\$ 5,221,650
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	31,547,172
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	127,616
Interest on long-term debt is accrued as a liability in the government-wide statements, but is not recognized in the government funds until due.	(19,252)
Long-term liabilities, including certificates of participation notes, net of related discounts, are not due and payable in the current period and therefore, are not reported in the funds.	<u>(5,668,398)</u>
Net assets of governmental activities	<u><u>\$ 31,208,788</u></u>

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

CITY OF ELLISVILLE, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Fund	Storm Water Projects Fund	Park Fund	Capital Infrastructure Fund	Other Non-major Funds	Total
REVENUES						
Taxes	\$ 4,554,626	\$ 1,395,311	\$ 600,207	\$ 642,830	\$ -	\$ 7,192,974
Licenses, permits, and inspection fees	517,430	-	-	-	-	517,430
Fines and court costs	813,618	-	-	-	-	813,618
Investment income	23,135	15,459	8,832	8,235	7,956	63,617
Charges for service	19,174	-	270,766	-	91,032	380,972
Miscellaneous	14,821	-	4,357	-	-	19,178
TOTAL REVENUES	<u>5,942,804</u>	<u>1,410,770</u>	<u>884,162</u>	<u>651,065</u>	<u>98,988</u>	<u>8,987,789</u>
EXPENDITURES						
Current:						
Administrative	1,445,800	-	-	-	-	1,445,800
Police	1,954,238	-	-	-	-	1,954,238
Public works	1,292,212	-	-	-	10,061	1,302,273
Planning, inspection, and engineering	400,719	194,396	-	-	-	595,115
Municipal court	360,569	-	-	-	-	360,569
Recreation	-	-	581,045	-	-	581,045
Capital outlay	8,308	804,767	93,203	224,807	65,629	1,196,714
Debt service:						
Principal, interest and fiscal charges	-	-	419,908	389,350	-	809,258
TOTAL EXPENDITURES	<u>5,461,846</u>	<u>999,163</u>	<u>1,094,156</u>	<u>614,157</u>	<u>75,690</u>	<u>8,245,012</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	480,958	411,607	(209,994)	36,908	23,298	742,777
OTHER FINANCING SOURCES (USES)						
Transfer in (out)	(425,000)	-	350,000	-	75,000	-
NET CHANGE IN FUND BALANCES	55,958	411,607	140,006	36,908	98,298	742,777
FUND BALANCES - BEGINNING OF YEAR	<u>1,672,493</u>	<u>967,630</u>	<u>525,700</u>	<u>781,031</u>	<u>532,019</u>	<u>4,478,873</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,728,451</u>	<u>\$ 1,379,237</u>	<u>\$ 665,706</u>	<u>\$ 817,939</u>	<u>\$ 630,317</u>	<u>\$ 5,221,650</u>

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

CITY OF ELLISVILLE, MISSOURI
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL
 FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2010

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

Change in fund balance-total governmental funds	\$ 742,777
Revenues that do not provide current financial resources are not included in the fund financial statements.	18,880
The acquisition of capital assets requires the use of current financial resources but has no effect on net assets.	1,036,227
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(1,411,765)
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the assets sold.	(68,307)
Repayment of notes payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	560,000
Some expenses do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds:	
Compensated absences	(6,451)
Accrued interest	1,663
Amortization of debt issuance costs	(7,348)
Change in net assets of governmental activities	<u>\$ 865,676</u>

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

CITY OF ELLISVILLE, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2010

ASSETS

CURRENT ASSETS

Due from other funds

\$ 65,019

NET ASSETS

NET ASSETS HELD IN TRUST FOR:

Health benefits

\$ 65,019

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

CITY OF ELLISVILLE, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

ADDITIONS

Interest	\$ 883
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**NET ASSETS HELD IN TRUST -
BEGINNING OF YEAR**

64,136

**NET ASSETS HELD IN TRUST -
END OF YEAR**

\$ 65,019

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

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CITY OF ELLISVILLE, MISSOURI
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ellisville, Missouri (the City) was incorporated 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, and general administrative services. The significant accounting policies applied by the City in the preparation of the accompanying financial statements are summarized below:

A. REPORTING ENTITY

The City defines its financial reporting entity in accordance with Accounting Standards Board 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.

B. BASIS OF PRESENTATION

Government-Wide Financial Statements - The Statement of Net Assets and the Statement of Activities present financial information about the City as a whole. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of net assets presents the financial condition of the governmental activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as program revenues include (a) charges to customer or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains and other miscellaneous revenue not properly included among program revenues are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - continued
- B. **BASIC FINANCIAL STATEMENTS** - continued

Fund Financial Statements - Following the government-wide financial statements are separate financial statements for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, Storm Water Projects Fund, Parks Fund, and Capital Infrastructure Fund. The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the Statement of Net Assets. The net change in fund balance for all governmental funds is reconciled to the total change in net assets as shown on the Statement of Activities in the government-wide financial statements.

The fund financial statements of the City are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the City:

Governmental Fund Types - Governmental funds are those through which most governmental functions are financed. The acquisition uses and balances of the City's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the City's governmental major 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 designated for storm water projects.

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.

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

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

Additionally, the government reports the following fund types:

Private-purpose Trust 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 requirement to provide resources to this fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

B. BASIC FINANCIAL STATEMENTS - continued

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-in-lieu of taxes and other charges and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

C. 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. 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 accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current financial resources generally are included on the balance sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are reported. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the governmental-wide statements and the statements for governmental funds.

Revenues are recognized in the accounting period in which they become both measurable and available. The term "available" is defined as collectible within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For the City, available generally means expected to be received within sixty days of fiscal year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Expenditures for compensated absences and principal and interest on long-term debt are not recognized until 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.

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

C. **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING** - continued

The City recognizes assets from derived 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.

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.

D. **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, 2010, upon which the 2010 levy was based on an assessed value for real, personal and public utility property of \$277,478,392. The City's tax rate was levied at the following rates per \$100 of assessed valuation for the General Fund:

	<u>RATE</u>
Residential	\$.150
Agricultural	\$.150
Commercial	\$.150
Personal Property	\$.000

E. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are considered to be certificates of deposit, demand deposits, cash on hand, deposits in bank money market accounts and short-term investments.

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

F. **PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

G. **CAPITAL ASSETS**

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

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

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	10 - 40 years
Equipment	5 - 10 years
Vehicles	8 - 10 years
Infrastructure	10 - 30 years

Infrastructure assets completed prior to January 1, 2004 were valued at their estimated cost as determined by the City's public works department. Infrastructure assets added after January 1, 2004 were recorded at historical cost.

H. **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 investments balance in each fund represents that 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. Interest income on restricted cash and investments is credited directly to the related fund.

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.

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

I. **INTERFUND TRANSACTIONS - continued**

All other interfund transactions are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as equity transfers. All other interfund transfers are reported as operating transfers.

J. **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. A liability for unused vacation compensation has been recorded in the respective governmental funds as such amounts are expected to be paid from current expendable resources. 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 and, therefore, has not been reflected in the financial statements.

K. **DEFERRED REVENUE**

Deferred revenue in the fund financial statements is composed of property tax revenues which are not collected within sixty days following the end of the current period. Other funds received to be used for future expenditures are recorded as deferred revenue in the government-wide and fund financial statements.

L. **LONG-TERM LIABILITIES**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Initial-issue bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the unamortized portion of applicable premium or discount. Bond issuance costs, including underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, and issuance costs are included in interest expense.

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

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

M. **NET ASSETS**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments. The statement of net assets report \$3,233,607 of restricted net assets. Of the amount, \$2,454,825 is restricted by enabling legislation. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Actual results could vary from the estimates that management uses.

2. **DEPOSITS AND INVESTMENTS**

The City is governed by the deposit and investment limitations of state law. The City's policy and state law authorize the following types of investments: United States treasury bills, Federal Agency Obligations, Obligations of Governmental Sponsored Corporations, Certificates of Deposits and Repurchase Agreements collateralized by governmental securities.

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, 2010, 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 CD's 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.

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 minimized 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. 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:

Investment Type	Fair Value	No Maturity	Less than one year	1-5 Years	Credit Rating
Certificates of deposit	\$ 2,735,360	\$ -	\$ 1,393,004	\$ 1,342,356	N/A
Repurchase agreement	1,230,000	-	1,230,000	-	N/A
Money Market Funds	<u>778,805</u>	<u>778,805</u>	-	-	N/A
Total	<u>\$ 4,744,165</u>	<u>\$ 778,805</u>	<u>\$ 2,623,004</u>	<u>\$ 1,342,356</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%.

3. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2010 is as follows:

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>TRANSFERS AND ADDITIONS</u>	<u>TRANSFERS AND DELETIONS</u>	<u>BALANCE, END OF YEAR</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,276,529	\$ -	\$ -	\$ 2,276,529
Construction in progress	<u>364,132</u>	<u>219,825</u>	<u>(364,132)</u>	<u>219,825</u>
Total capital assets not, being depreciated	<u>2,640,661</u>	<u>219,825</u>	<u>(364,132)</u>	<u>2,496,354</u>
Capital assets, being depreciated:				
Buildings and improvements	13,344,831	-	-	13,344,831
Vehicles and equipment	1,899,739	32,278	(35,634)	1,896,383
Infrastructure	<u>25,687,597</u>	<u>1,148,612</u>	<u>(177,093)</u>	<u>26,659,116</u>
Total capital assets, being depreciated	<u>40,932,167</u>	<u>1,180,890</u>	<u>(212,727)</u>	<u>41,900,330</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,523,292)	(407,843)	-	(1,931,135)
Vehicles and equipment	(1,129,559)	(115,697)	26,656	(1,218,600)
Infrastructure	<u>(8,928,960)</u>	<u>(888,225)</u>	<u>117,408</u>	<u>(9,699,777)</u>
Total accumulated depreciation	<u>(11,581,811)</u>	<u>(1,411,765)</u>	<u>144,064</u>	<u>(12,849,512)</u>
Total capital assets, being depreciated, net	<u>29,350,356</u>	<u>(230,875)</u>	<u>(68,663)</u>	<u>29,050,818</u>
Total governmental activities	<u>\$ 31,991,017</u>	<u>\$ (11,050)</u>	<u>\$ (432,795)</u>	<u>\$ 31,547,172</u>

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

Governmental activities:	
Administrative	\$ 5,842
Police department	51,047
Public works	189,248
Planning, inspection and engineering	885,208
Park	<u>280,420</u>
Total depreciation expense-governmental activities	<u>\$ 1,411,765</u>

4. **LONG-TERM DEBT**

Certificates of Participation Notes Series 2003 - The certificates, totaling \$3,500,000, were issued to construct, furnish and equip a new public works facility, a new parks administration building and to the extent available construct and improve streets, storm water facilities and other municipal facilities at interest rates from 2.125% to 4.0%. Debt service payments are to be made out of Special Revenue and General Funds. At December 31, 2010, the City had \$1,400,000 outstanding in the Certificates of Participation Notes Series 2003.

Maturities required on these certificates are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2011	\$ 340,000	\$ 52,538	\$ 392,538
2012	350,000	40,638	390,638
2013	<u>710,000</u>	<u>27,513</u>	<u>737,513</u>
TOTAL	\$ <u>1,400,000</u>	\$ <u>120,689</u>	\$ <u>1,520,689</u>

Certificates of Participation Notes Series 2007 - The certificates, totaling \$4,830,000, were issued to construct, furnish and equip a new swimming pool at interest rates from 4% to 5%. Debt service payments are to be made out of Special Revenue and General Funds. At December 31, 2010, the City had \$4,155,000 outstanding in the Certificates of Participation Notes Series 2007.

Maturities required on these certificates are as follows:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2011	\$ 245,000	\$ 173,590	\$ 418,590
2012	255,000	163,590	418,590
2013	265,000	153,190	418,190
2014	275,000	142,390	417,390
2015	290,000	131,017	421,017
2016	300,000	118,920	418,920
2017	310,000	106,185	416,185
2018	325,000	92,363	417,363
2019	340,000	77,400	417,400
2020	355,000	61,762	416,762
2021	375,000	45,338	420,338
2022	<u>820,000</u>	<u>18,450</u>	<u>838,450</u>
TOTAL	\$ <u>4,155,000</u>	\$ <u>1,284,195</u>	\$ <u>5,439,195</u>

4. **LONG-TERM DEBT - continued**

Long-term liability activity for the year ended December 31, 2010, was as follows:

	<u>BALANCE, BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE, END OF YEAR</u>	<u>DUE WITHIN ONE YEAR</u>
Governmental activities:					
Certificates of					
Participation	\$ 6,115,000	\$ -	\$ (560,000)	\$ 5,555,000	\$ 585,000
Less: discounts	(7,704)	-	593	(7,111)	-
Compensated absences	<u>188,368</u>	<u>175,982</u>	<u>(169,531)</u>	<u>194,819</u>	<u>175,000</u>
Total governmental activities	<u>\$ 6,295,664</u>	<u>\$ 175,982</u>	<u>\$ (728,938)</u>	<u>\$ 5,742,708</u>	<u>\$ 760,000</u>

5. **INTERFUND TRANSACTIONS**

The following operating transfers were made during the fiscal year ending December 31, 2010:

	<u>TRANSFER IN</u>	<u>TRANSFER OUT</u>
General Fund	\$ -	\$ 425,000
Equipment Replacement Fund	25,000	-
Parks Fund	350,000	-
Contingency Fund	50,000	-

Interfund transfers were primarily to cover capital asset acquisitions.

6. **INTERFUND RECEIVABLES AND PAYABLES**

Due to/from other funds at December 31, 2010 are as follows:

	<u>DUE TO</u>	<u>DUE FROM</u>
General Fund	\$ -	\$ 65,019
Benevolent Fund	65,019	-

The funds held in the Benevolent Fund are held in the general checking account in the General Fund.

7. **RETIREMENT PLAN**

Plan Description - The City of Ellisville, Missouri participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agents for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members.

LAGERS was created and is governed by statute, sections RSMo 70.300 through 70.755. As such, it is the system's 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 it is tax exempt.

7. **RETIREMENT PLAN** - continued

Plan Description - continued

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or calling 1-800-447-4334.

Funding Status - The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 6.2% (general) and 10.7% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

The subdivision's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 250,626
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>250,626</u>
Actual contributions	<u>221,303</u>
Increase (decrease) in NPO	29,323
NPO beginning of year	-
NPO end of year	<u><u>\$ 29,323</u></u>

The annual required contribution (ARC) was determined as part of the February 29, 2008 and February 28, 2009 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; (b) projected salary increases of 4% per year, compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit; and (d) pre-retirement mortality based on the RP-2000 combined Healthy Table set back 0 years for men and 0 years for women; and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The amortization period at February 29, 2008 was 15 years for the General division and 21 years for the Police division. The amortization period at February 28, 2009 was 30 years for both divisions.

Three year trend information follows:

<u>For The Years Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$188,825	100.0%	\$ -
2009	196,414	100.0	-
2010	250,626	88.3	29,323

7. **RETIREMENT PLAN - continued**

Funding Status - continued

Schedule of funding progress follows:

Actuarial Valuation <u>Date</u>	(a) Actuarial Value <u>Of Assets</u>	(b) Entry Age Actuarial Value <u>Of Assets</u>	(b-a) Unfunded Accrued Liability <u>(UAL)</u>	(a/b) <u>Funded Ratio</u>	(c) Annual Covered <u>Payroll</u>	[(b-a)/c] UAL as a Percentage of Covered <u>Payroll</u>
2/29/2008	\$5,574,408	\$5,002,200	\$ (572,208)	111%	\$2,630,410	- %
2/28/2009	4,233,686	4,774,635	540,949	89	2,821,717	19
2/28/2010	4,556,089	5,218,259	662,172	87	2,922,582	23

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

8. **DEFERRED COMPENSATION PLAN**

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

9. **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, along with various other local municipal governments, participates in insurance trusts for workers' compensation and general liability matters (St. Louis Area Insurance Trust - SLAIT). The purpose of these trusts is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment to cover estimated claims payable and reserves for claims. The members of the trusts have no legal interest in the assets, liabilities or fund balances of the insurance trusts. However, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the trusts should the trusts cease operations at some future date. SLAIT employs an outside service company to process all claims. The City's 2010 premiums payments to the trusts were \$117,316.

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

10. **CONDUIT DEBT OBLIGATIONS**

The City has authorized the Industrial Development Authority of the City of Ellisville to issue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are collateralized 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 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 general purpose financial statements. The aggregate principal maturities of outstanding bonds at December 31, 2010 were \$5,265,000.

11. **BUDGETARY EXPENDITURES IN EXCESS OF APPROPRIATIONS (IF ANY)**

Expenditures in the General Fund of \$5,461,846 exceeded appropriations of \$5,400,433 by \$61,413. Additional funds were available due to the positive variances in other actual revenues and expenditures.

12. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through May 25, 2011, the date the financial statements were available to be issued.

13. **FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), establishes standards for the policies and disclosures for fund balance among other things. GASB 54 will be effective for the City for the year ending December 31, 2011.

The City, however, has not yet completed its assessment of these statements or in the potential impact on its financial position.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ELLISVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 4,444,300	\$ 4,444,300	\$ 4,554,626	\$ 110,326
Licenses, permits, and inspection fees	606,600	606,600	517,430	(89,170)
Fines and court costs	608,500	608,500	813,618	205,118
Investment income	16,000	16,000	23,135	7,135
Charges for service	25,000	25,000	19,174	(5,826)
Miscellaneous	20,500	20,500	14,821	(5,679)
TOTAL REVENUES	<u>5,720,900</u>	<u>5,720,900</u>	<u>5,942,804</u>	<u>221,904</u>
EXPENDITURES				
Current:				
Administrative	1,534,609	1,534,609	1,445,800	88,809
Police	1,998,017	1,998,017	1,954,238	43,779
Public works	1,329,097	1,329,097	1,292,212	36,885
Planning, inspection, and engineering	399,771	399,771	400,719	(948)
Municipal court	138,939	138,939	360,569	(221,630)
Capital outlay	-	-	8,308	(8,308)
TOTAL EXPENDITURES	<u>5,400,433</u>	<u>5,400,433</u>	<u>5,461,846</u>	<u>(61,413)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>320,467</u>	<u>320,467</u>	<u>480,958</u>	<u>160,491</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	(425,000)	(425,000)	(425,000)	-
NET CHANGE IN FUND BALANCES	(104,533)	(104,533)	55,958	<u>\$ 160,491</u>
FUND BALANCES - BEGINNING OF YEAR	<u>1,672,493</u>	<u>1,672,493</u>	<u>1,672,493</u>	
FUND BALANCES - END OF YEAR	<u>\$ 1,567,960</u>	<u>\$ 1,567,960</u>	<u>\$ 1,728,451</u>	

CITY OF ELLISVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STORM WATER PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 1,374,000	\$ 1,374,000	\$ 1,395,311	\$ 21,311
Investment income	8,000	8,000	15,459	7,459
TOTAL REVENUES	<u>1,382,000</u>	<u>1,382,000</u>	<u>1,410,770</u>	<u>28,770</u>
EXPENDITURES				
Current:				
Planning, inspection, and engineering	376,923	376,923	194,396	182,527
Capital outlay	1,009,536	1,009,536	804,767	204,769
TOTAL EXPENDITURES	<u>1,386,459</u>	<u>1,386,459</u>	<u>999,163</u>	<u>387,296</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,459)	(4,459)	411,607	<u>\$ 416,066</u>
FUND BALANCES - BEGINNING OF YEAR	<u>967,630</u>	<u>967,630</u>	<u>967,630</u>	
FUND BALANCES - END OF YEAR	<u>\$ 963,171</u>	<u>\$ 963,171</u>	<u>\$ 1,379,237</u>	

CITY OF ELLISVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PARKS FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 590,000	\$ 590,000	\$ 600,207	\$ 10,207
Investment income	12,000	12,000	8,832	(3,168)
Charges for service	541,087	541,087	270,766	(270,321)
Miscellaneous	-	-	4,357	4,357
TOTAL REVENUES	<u>1,143,087</u>	<u>1,143,087</u>	<u>884,162</u>	<u>(258,925)</u>
EXPENDITURES				
Current:				
Recreation	954,799	954,799	581,045	373,754
Capital outlay	141,000	141,000	93,203	47,797
Debt service:				
Principal, interest and fiscal charges	419,940	419,940	419,908	32
TOTAL EXPENDITURES	<u>1,515,739</u>	<u>1,515,739</u>	<u>1,094,156</u>	<u>421,583</u>
	-			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(372,652)</u>	<u>(372,652)</u>	<u>(209,994)</u>	<u>162,658</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(22,652)</u>	<u>(22,652)</u>	<u>140,006</u>	<u>\$ 162,658</u>
FUND BALANCES - BEGINNING OF YEAR	<u>525,700</u>	<u>525,700</u>	<u>525,700</u>	
FUND BALANCES - END OF YEAR	<u>\$ 480,396</u>	<u>\$ 480,396</u>	<u>\$ 665,706</u>	

CITY OF ELLISVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
CAPITAL INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Taxes	\$ 610,000	\$ 610,000	\$ 642,830	\$ 32,830
Investment income	15,000	15,000	8,235	(6,765)
TOTAL REVENUES	<u>625,000</u>	<u>625,000</u>	<u>651,065</u>	<u>26,065</u>
EXPENDITURES				
Capital outlay	241,400	241,400	224,807	16,593
Debt service:				
Principal, interest and fiscal charges	389,350	389,350	389,350	-
TOTAL EXPENDITURES	<u>630,750</u>	<u>630,750</u>	<u>614,157</u>	<u>16,593</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,750)	(5,750)	36,908	<u>\$ 42,658</u>
FUND BALANCES - BEGINNING OF YEAR	<u>781,031</u>	<u>781,031</u>	<u>781,031</u>	
FUND BALANCES - END OF YEAR	<u>\$ 775,281</u>	<u>\$ 775,281</u>	<u>\$ 817,939</u>	

CITY OF ELLISVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2010

BUDGETARY DATA

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 is all funds except for the Debt Proceeds Fund. 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 department 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 unencumbered appropriation balance within a department. The Council may, by ordinance, transfer all or part of any unencumbered appropriation balance from one department to another. Monies held in reserve, contingency, or undesignated funds shall be transferred or encumbered 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 appropriates balances lapse and may be reappropriated in the next budget period.

The City's budgets are prepared on the modified accrual basis of accounting.

SUPPLEMENTAL INFORMATION

CITY OF ELLISVILLE, MISSOURI
COMBINING BALANCE SHEET - NON MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Capital Projects Fund		Special Revenue Funds		
	Equipment Replacement Fund	Debt Proceeds Fund	Contingency Fund	Sewer Fund	Total
ASSETS AND OTHER DEBITS					
Cash and investments	\$ 20,199	\$ 21,260	\$ 218,133	\$ 358,280	\$ 617,872
Taxes receivable	-	-	-	18,989	18,989
TOTAL ASSETS	\$ 20,199	\$ 21,260	\$ 218,133	\$ 377,269	\$ 636,861
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 6,544	\$ 6,544
FUND BALANCES:					
Fund balances:					
Reserved for:					
Capital projects	-	21,260	-	-	21,260
Unreserved:					
Capital projects fund	20,199	-	-	-	20,199
Special revenue funds	-	-	218,133	370,725	588,858
TOTAL FUND BALANCES	20,199	21,260	218,133	370,725	630,317
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,199	\$ 21,260	\$ 218,133	\$ 377,269	\$ 636,861

CITY OF ELLISVILLE, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Capital Projects Fund		Special Revenue Funds		
	Equipment Replacement Fund	Debt Proceeds Fund	Contingency Fund	Sewer Fund	Total
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 91,032	\$ 91,032
Investment income	346	125	2,862	4,623	7,956
TOTAL REVENUES	<u>346</u>	<u>125</u>	<u>2,862</u>	<u>95,655</u>	<u>98,988</u>
EXPENDITURES					
Current:					
Public works	-	-	-	10,061	10,061
Capital outlay	24,378	-	-	41,251	65,629
TOTAL EXPENDITURES	<u>24,378</u>	<u>-</u>	<u>-</u>	<u>51,312</u>	<u>75,690</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,032)	125	2,862	44,343	23,298
OTHER FINANCING SOURCES (USES)					
Operating transfer in (out)	25,000	-	50,000	-	75,000
NET CHANGE IN FUND BALANCES	968	125	52,862	44,343	98,298
FUND BALANCES - BEGINNING OF YEAR	<u>19,231</u>	<u>21,135</u>	<u>165,271</u>	<u>326,382</u>	<u>532,019</u>
FUND BALANCES - END OF YEAR	<u>\$ 20,199</u>	<u>\$ 21,260</u>	<u>\$ 218,133</u>	<u>\$ 370,725</u>	<u>\$ 630,317</u>

CITY OF ELLISVILLE, MISSOURI
BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Investment income	\$ 1,000	\$ 1,000	\$ 346	\$ (654)
EXPENDITURES				
Capital outlay	<u>26,000</u>	<u>26,000</u>	<u>24,378</u>	<u>1,622</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(25,000)	(25,000)	(24,032)	(2,276)
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	968	<u>\$ (2,276)</u>
FUND BALANCES - BEGINNING OF YEAR	<u>19,231</u>	<u>19,231</u>	<u>19,231</u>	
FUND BALANCES - END OF YEAR	<u>\$ 19,231</u>	<u>\$ 19,231</u>	<u>\$ 20,199</u>	

CITY OF ELLISVILLE, MISSOURI
BUDGETARY COMPARISON SCHEDULE
CONTINGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Investment income	\$ 2,000	\$ 2,000	\$ 2,862	\$ 862
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,000	2,000	2,862	862
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	50,000	50,000	50,000	-
NET CHANGE IN FUND BALANCES	52,000	52,000	52,862	<u>\$ 862</u>
FUND BALANCES - BEGINNING OF YEAR	<u>165,271</u>	<u>165,271</u>	<u>165,271</u>	
FUND BALANCES - END OF YEAR	<u>\$ 217,271</u>	<u>\$ 217,271</u>	<u>\$ 218,133</u>	

CITY OF ELLISVILLE, MISSOURI
BUDGETARY COMPARISON SCHEDULE
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2010

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 89,000	\$ 89,000	\$ 91,032	\$ 2,032
Investment income	5,700	5,700	4,623	(1,077)
TOTAL REVENUES	<u>94,700</u>	<u>94,700</u>	<u>95,655</u>	<u>955</u>
EXPENDITURES				
Current:				
Public works	7,130	7,130	10,061	(2,931)
Capital outlay	65,000	65,000	41,251	23,749
TOTAL EXPENDITURES	<u>72,130</u>	<u>72,130</u>	<u>51,312</u>	<u>20,818</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	22,570	22,570	44,343	<u>\$ 21,773</u>
FUND BALANCES - BEGINNING OF YEAR	<u>326,382</u>	<u>326,382</u>	<u>326,382</u>	
FUND BALANCES - END OF YEAR	<u>\$ 348,952</u>	<u>\$ 348,952</u>	<u>\$ 370,725</u>	

CITY OF ELLISVILLE, MISSOURI
NET ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:							
Invested in capital assets, net of related debt	\$25,999,283	\$25,889,334	\$25,682,531	\$24,200,338	\$19,537,229	\$18,338,971	\$16,856,205
Restricted	3,233,607	2,600,742	2,056,922	2,797,476	3,444,182	3,809,358	2,727,967
Unrestricted	1,975,898	1,853,036	1,339,676	1,045,903	1,348,937	1,664,525	3,136,848
Total Governmental Activities, Net Assets	<u>\$31,208,788</u>	<u>\$30,343,112</u>	<u>\$29,079,129</u>	<u>\$28,043,717</u>	<u>\$24,330,348</u>	<u>\$23,812,854</u>	<u>\$22,721,020</u>

Source: Basic Financial Statements

GASB 34 was implemented in 2004.

CITY OF ELLISVILLE, MISSOURI
CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004
EXPENSES							
Governmental activities:							
Administrative	\$ 1,452,050	\$ 1,672,481	\$ 1,475,231	\$ 1,504,078	\$ 1,384,388	\$ 1,396,491	\$ 1,493,145
Municipal court	360,569	120,699	109,134	97,918	93,833	93,314	91,993
Recreation (A)	875,619	694,965	593,714	408,250	475,690	514,962	474,736
Planning, inspection and engineering	1,626,248	1,663,289	1,903,246	1,689,965	1,892,249	1,488,086	2,394,414
Police	2,008,510	2,053,207	2,066,573	1,965,877	1,911,544	1,752,891	1,743,406
Public works	1,563,054	1,628,287	1,486,258	1,453,663	1,465,873	1,207,467	1,147,282
Interest on long-term debt	254,943	272,480	290,899	253,700	116,985	117,734	127,240
Total governmental activities expenses	<u>8,140,993</u>	<u>8,105,408</u>	<u>7,925,055</u>	<u>7,373,451</u>	<u>7,340,562</u>	<u>6,570,945</u>	<u>7,472,216</u>
PROGRAM REVENUE							
Governmental activities:							
Charges for services:							
Administrative	474,151	537,475	563,175	543,015	552,687	554,612	607,200
Recreation (A)	270,766	266,453	251,938	71,470	68,527	290,813	113,640
Planning, inspection and engineering	59,353	77,807	122,786	187,550	84,526	82,070	
Police	816,718	730,128	357,575	283,001	288,043	229,796	61,090
Public works	91,032	90,312	89,175	88,704	87,124	-	221,107
Operating grants and contributions	647,294	625,207	673,953	845,859	619,846	455,910	-
Capital grants and contributions	-	349,433	-	1,997,467	-	-	452,928
Total governmental activities program revenue	<u>2,359,314</u>	<u>2,676,815</u>	<u>2,058,602</u>	<u>4,017,066</u>	<u>1,700,753</u>	<u>1,613,201</u>	<u>1,455,965</u>
NET EXPENSES	<u>5,781,679</u>	<u>5,428,593</u>	<u>5,866,453</u>	<u>3,356,385</u>	<u>5,639,809</u>	<u>4,957,744</u>	<u>(6,016,251)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS							
Governmental activities:							
Taxes:							
Property	383,436	363,131	377,155	380,112	297,862	631,132	641,919
Sales	4,314,488	4,278,282	4,374,654	4,316,623	4,026,819	3,866,699	3,972,780
Utility	1,661,236	1,996,304	1,869,047	1,707,754	1,443,989	1,447,585	1,416,940
Franchise	70,676	-	-	-	-	-	165,522
Other	139,188	-	-	-	-	-	-
Investment income	63,617	42,476	270,007	488,334	361,130	129,510	37,735
Miscellaneous	14,714	12,381	11,002	176,931	27,503	223,354	-
Contributed capital	-	-	-	-	-	179,747	-
Total activities	<u>6,647,355</u>	<u>6,692,574</u>	<u>6,901,865</u>	<u>7,069,754</u>	<u>6,157,303</u>	<u>6,478,027</u>	<u>6,234,896</u>
CHANGES IN NET ASSETS	<u>\$ 865,682</u>	<u>\$ 1,263,981</u>	<u>\$ 1,035,412</u>	<u>\$ 3,713,369</u>	<u>\$ 517,494</u>	<u>\$ 1,520,283</u>	<u>\$ 218,645</u>

Source: Basic Financial Statements

GASB 34 was implemented in 2004.

A) In fiscal year ended 2009, the Park and Pool Departments were merged and name changed to Recreation.

B) In fiscal year ended 2010, the City has began presenting tax revenue in additional detail.

CITY OF ELLISVILLE, MISSOURI
FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004
General Fund:							
Reserved	\$ 87,162	\$ 98,527	\$ 98,530	\$ 85,136	\$ 76,432	\$ 71,384	\$ -
Unreserved	1,641,289	1,573,965	1,125,314	1,360,969	1,306,023	879,271	980,867
Total general fund	<u>\$ 1,728,451</u>	<u>\$ 1,672,492</u>	<u>\$ 1,223,844</u>	<u>\$ 1,446,105</u>	<u>\$ 1,382,455</u>	<u>\$ 950,655</u>	<u>\$ 980,867</u>
All Other Governmental Funds:							
Reserved	\$ 800,042	\$ 799,910	\$ 841,332	\$ 4,784,649	\$ 2,774,004	\$ 2,745,911	\$ 2,727,967
Unreserved reported in:							
Capital projects funds	488,138	450,261	418,815	511,774	284,931	617,074	861,877
Special revenue funds	2,205,019	1,556,208	1,016,843	2,345,996	3,274,808	3,840,333	4,031,102
Total all other governmental funds	<u>\$ 3,493,199</u>	<u>\$ 2,806,379</u>	<u>\$ 2,276,990</u>	<u>\$ 7,642,419</u>	<u>\$ 6,333,743</u>	<u>\$ 7,203,318</u>	<u>\$ 7,620,946</u>

CITY OF ELLISVILLE, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004
Revenues							
Taxes	\$ 7,192,974	\$ 7,343,776	\$ 7,347,184	\$ 7,069,497	\$ 6,543,906	\$ 6,289,583	\$ 6,430,934
Licenses, permits, and inspection fees	517,430	596,330	664,268	707,932	618,023	610,349	658,646
Fines and court costs	813,618	543,260	346,398	277,561	281,521	226,496	211,100
Intergovernmental	-	-	190,300	-	-	-	-
Investment income	63,617	42,476	270,007	488,334	361,130	129,510	165,522
Charges for services	380,972	289,255	94,637	248,253	91,867	320,446	133,291
Miscellaneous	19,178	32,521	42,385	240,147	27,503	290,867	100,399
Total Revenues	8,987,789	8,847,618	8,955,179	9,031,724	7,923,950	7,867,251	7,699,892
Expenditures							
Current:							
Administrative	1,445,800	1,477,599	1,475,520	1,354,971	1,385,494	1,386,915	1,473,376
Police	1,954,238	1,980,273	1,956,612	1,904,592	1,813,624	1,688,192	1,702,001
Public works	1,302,273	1,390,957	1,280,428	1,261,789	1,141,326	1,031,118	1,014,514
Planning, inspection, and engineering	595,115	746,442	848,666	781,833	768,187	636,302	639,469
Municipal court	360,569	119,426	109,134	97,897	92,622	91,860	90,709
Recreation (A)	581,045	626,750	895,342	485,944	411,675	455,834	410,678
Capital outlay	1,196,714	720,944	6,971,969	5,953,989	2,478,410	2,613,391	2,701,814
Debt service:							
Principal	560,000	540,000	716,286	313,108	302,408	296,746	286,118
Interest	249,258	267,190	288,912	233,849	117,952	117,734	127,240
Bond issuance costs	-	-	-	93,537	-	-	-
Total Expenditures	8,245,012	7,869,581	14,542,869	12,481,509	8,511,698	8,318,092	8,445,919
Revenues over (under) expenditures	742,777	978,037	(5,587,690)	(3,449,785)	(587,748)	(450,841)	(746,027)
Other Financing Sources (Uses)							
Issuance of long-term debt	-	-	-	4,830,000	-	-	-
Bond discount	-	-	-	(8,889)	-	-	-
Transfers in	425,000	50,000	911,801	1,402,116	827,571	496,001	46,123
Transfers out	(425,000)	(50,000)	(911,801)	(1,402,116)	(827,571)	(496,001)	(46,123)
Total Other Financing Sources (Uses)	-	-	-	4,821,111	-	-	-
Net change in fund balances	\$ 742,777	\$ 978,037	\$(5,587,690)	\$1,371,326	\$ (587,748)	\$ (450,841)	\$ (746,027)
Debt service as a percentage of noncapital expenditures	11.2%	11.2%	15.3%	10.6%	6.7%	7.3%	7.2%

Sources: Basic Financial Statements

GASB 34 was implemented in 2004.

A) In fiscal year ended 2009 the Park and Pool Department were merged and name changed to Recreation.

CITY OF ELLISVILLE, MISSOURI
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST SEVEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004
FUNCTIONS/PROGRAMS							
Governmental activities:							
General government	\$ 474,151	\$ 537,475	\$ 563,175	\$ 546,577	\$ 552,687	\$ 554,612	\$ 607,200
Recreation (A)	270,766	266,453	251,938	71,470	68,527	290,813	113,640
Planning, inspection and engineering	59,353	409,105	122,786	273,060	84,526	82,070	61,090
Police	816,718	749,445	372,665	283,001	288,043	229,796	221,107
Public works	91,032	714,337	748,038	2,842,958	706,970	255,910	452,928
Total Governmental Activities	<u>\$1,712,020</u>	<u>\$2,676,815</u>	<u>\$2,058,602</u>	<u>\$4,017,066</u>	<u>\$1,700,753</u>	<u>\$1,413,201</u>	<u>\$1,455,965</u>

GASB 34 was implemented in 2004.

A) In fiscal year ended 2009 the Park and Pool Departments were merged and name changed to Recreation.

CITY OF ELLISVILLE, MISSOURI
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS

Fiscal Year	Property (1)	Sales and Use (2)	Franchise and Public Service	Total
2010	\$ 651,879	\$ 4,696,229	\$ 1,844,866	\$ 7,192,974
2009	640,258	4,616,902	1,996,304	7,253,464
2008	633,717	7,425,245	1,869,047	9,928,009
2007	585,280	4,687,759	1,707,754	6,980,793
2006	600,264	4,412,529	1,443,989	6,456,782
2005	483,128	4,273,242	1,447,586	6,203,956
2004	527,100	4,390,516	1,416,940	6,430,934

GASB 34 was implemented in 2004.

- 1) Includes road and bridge tax.
- 2) The City participates in the county-wide sales tax sharing pool and a point of sale sharing; sales tax is not the City's own source of revenue.

CITY OF ELLISVILLE, MISSOURI
SALES TAX REVENUES BY TYPE, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS

Fiscal Year	General 1% (1)	Cigarette	State Motor Fuel	Stormwater 1/2%	Local Option 1/4% (2)	Total
2010	\$ 2,318,970	\$ 25,995	\$ 355,746	\$ 1,395,311	\$ 600,207	\$ 4,696,229
2009	2,292,691	27,405	338,620	1,369,257	588,929	4,616,902
2008	2,355,802	29,472	50,591	1,391,101	598,279	4,425,245
2007	2,451,393	30,777	371,136	1,402,571	431,882	4,687,759
2006	2,512,377	32,218	385,710	1,482,224	-	4,412,529
2005	2,445,366	32,396	374,147	1,421,333	-	4,273,242
2004	2,484,000	33,166	384,570	1,488,780	-	4,390,516

GASB 34 was implemented in 2004.

1) This sales tax is received from St. Louis County based upon two formulas. Most of the City uses a formula based upon the sale being made in Ellisville. This method has an amount that is put into a redistribution pool for other areas of the County with calculation that is based upon how large the per capital sales tax amount is for the year, The amounts shown are net of the redistribution. The remainder of the City receives sales tax based upon the population of those areas. All sales tax earned in this area is put into a pool along with the redistribution amounts (as explained above) from throughout the County and then distributed based on the population of the pool areas.

2) This sales tax was approved by the voters in Ellisville for park expenditures effective April 2007. It uses the same two methods of calculating as the 1% sales tax but there is a maximum redistributions percentage.

CITY OF ELLISVILLE, MISSOURI
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1) (2)
LAST TEN FISCAL YEARS

Fiscal Year	Real Property	Personal Property	Railroads and Utilities	Assessed Value	Estimated Actual Value	Total Direct Tax Rate
2010	\$ 243,832,440	\$ 30,653,340	\$ 2,992,612	\$ 277,478,392	\$ 1,172,411,268	0.15
2009	249,212,140	34,296,020	2,861,338	286,369,498	1,222,797,756	0.15
2008	252,949,130	34,466,170	2,751,295	290,166,595	1,239,839,964	0.15
2007	250,921,550	31,740,760	2,875,523	285,537,833	1,217,897,088	0.15
2006	198,123,360	35,834,840	2,832,829	236,791,029	1,002,754,312	0.15
2005	203,957,520	34,341,800	2,947,932	241,247,252	1,012,829,628	0.15
2004	176,653,520	32,215,030	2,838,221	211,706,771	889,135,874	0.15
2003	170,901,840	33,440,433	3,079,094	207,421,367	865,842,322	0.15
2002	162,949,980	34,089,458	3,166,064	200,205,502	826,868,710	0.15
2001	158,065,820	33,864,190	2,488,916	194,418,926	808,137,925	0.15

1) Source: St. Louis County Assessor

2) The City participates in the county-wide sales tax sharing pool and a point of sales sharing, therefore, sales tax is not the City's own source revenue.

CITY OF ELLISVILLE, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)
FOR THE LAST TEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
City of Ellisville	0.1500	0.1500	0.1500	0.150	0.150	0.150	0.150	0.150	0.150	0.150
Overlapping governments:										
State of Missouri	0.0300	0.0300	0.0300	0.030	0.030	0.030	0.030	0.030	0.030	0.030
County General	0.2000	0.1900	0.1900	0.190	0.190	0.190	0.255	0.190	0.190	0.190
County Hospital/Health	0.1400	0.1500	0.1500	0.150	0.165	0.165	0.175	0.165	0.165	0.170
County Park Maintenance	0.0500	0.0500	0.0500	0.050	0.035	0.035	0.045	0.035	0.035	0.040
County Bond Retirement	0.0280	0.0280	0.0630	0.063	0.063	0.063	0.085	0.085	0.085	0.090
County Road and Bridge	0.1050	0.1050	0.1050	0.105	0.105	0.105	0.105	0.105	0.105	0.110
St. Louis Community College	0.2179	0.2136	0.2013	0.200	0.223	0.223	0.237	0.231	0.232	0.230
Special School District	0.9950	0.9384	0.9184	0.908	0.824	0.840	0.905	0.833	0.849	0.840
Metro Zoo Park and Museum	0.2546	0.2493	0.2344	0.233	0.261	0.265	0.276	0.226	0.222	0.220
Sheltered Workshop	0.0790	0.0740	0.0690	0.070	0.082	0.085	0.085	0.085	0.085	0.090
St. Louis County Library	0.1565	0.1400	0.1400	0.140	0.150	0.150	0.150	0.140	0.140	0.140
Rockwood School District	4.2752	4.0083	3.9232	3.999	4.418	4.507	4.633	4.271	4.439	4.420
Metro West Fire Protection District	1.0120	0.9770	0.8210	0.836	0.977	1.045	1.066	1.067	0.997	0.970
Metro Sewer District-Extension	0.0180	0.0000	0.0000	0.017	0.019	0.019	0.019	0.019	0.019	0.020
Meramec River Basin Sewer District	0.0000	0.0000	0.0000	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Total Overlapping Governments	7.5612	7.1536	6.8953	7.0611	7.6113	7.7920	8.1360	7.5520	7.6630	7.6300

(1) Source - St. Louis County Assessor (rates stated per \$100 assessed valuation)

Commencing in 2003, Missouri State Law required entities to calculate a separate tax rate for residential real estate agricultural real estate, commercial real estate, and personal property. The rate for the City is the same for residential, agricultural and commercial.

CITY OF ELLISVILLE, MISSOURI
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Property Taxpayer	2010			2001		
	Taxable Assessed Valuation	Rank	Percent Of Total City Taxable Assessed Value	Assessed Valuation	Rank	Percent Of Total City Taxable Assessed Value
Clarkson Clayton Center Associates	\$ 5,723,910	1	2.33 %	\$ 4,512,790	2	2.31 %
Cooper Bussmann, Inc.	3,286,310	2	1.34	2,559,460	4	1.31
Centrum Clarkson LLC	2,931,330	3	1.19	-	-	-
Bradfore Hills Associated L.P.	2,840,000	4	1.16	2,302,370	5	1.18
Lifetime Fitness	2,739,910	5	1.12	-	-	-
Centro Bradley Spe 3 LLC	2,578,240	6	1.05	-	-	-
Passive Investors, Inc.	2,573,350	7	1.05	1,563,230	7	0.80
Home Depot USA, Inc.	2,387,420	8	0.97	-	-	-
Fountains of Ellisville LLC	1,900,650	9	0.77	-	-	-
JVH Commercial Properties LLC (Royal Gate)	1,857,600	10	0.76	-	-	-
Family Guardian Life Insurance Co.	-	-	-	5,158,530	1	2.64
AmerenUE	-	-	-	3,241,312	3	1.66
Bradley Operating LTD, Prnsp.	-	-	-	2,017,110	6	1.03
York Amusement Co., Inc.	-	-	-	1,236,160	8	0.63
Nooney Real Property, Inc.	-	-	-	1,183,990	9	0.61
Beuckman Family, LLC	-	-	-	1,173,410	10	0.60
Totals	\$28,818,720		11.74 %	\$24,948,362		12.77 %

Source: St. Louis County Assessor

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

<u>Fiscal Year</u>	<u>Net Tax Levy (2)</u>	<u>Current Tax Collections</u>	<u>Percent Collected As Current</u>	<u>Delinquent Tax Collections (Refunds)</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent of Levy</u>
2010	\$ 369,396	\$ 307,132	83.1 %	\$ -	\$ 307,132	83.1 %
2009	368,762	290,518	78.8	72,651	363,169	98.5
2008	382,562	304,233	79.5	70,649	374,882	98.0
2007	382,367	312,277	81.7	11,044	323,321	84.6
2006	300,686	290,712	96.7	9,974	300,686	100.0
2005	309,582	258,535	83.5	6,839	265,374	85.7
2004	268,474	257,702	96.0	10,772	268,474	100.0
2003	260,276	220,709	84.8	12,613	233,322	89.6
2002	248,245	235,812	95.0	11,174	246,986	99.4
2001	241,499	230,382	95.4	9,389	239,771	99.3

1) Source: St. Louis County Collector's office

2) Original levy adjusted for strikeoffs and additions by St. Louis County Board of Equalization.

CITY OF ELLISVILLE, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Total Governmental Activities	Percentage of Personal Income (1)	Per Capita
	Notes Payable	Certificates of Participation	General Obligation Bonds			
2010	\$ -	\$ 5,555,000	\$ -	\$ 5,555,000	2.23 %	\$ 610
2009	-	6,115,000	-	6,115,000	2.45	671
2008	-	6,655,000	-	6,655,000	2.67	730
2007	191,286	7,180,000	-	7,371,286	2.96	810
2006	204,394	2,650,000	-	2,854,394	1.15	314
2005	216,802	2,940,000	-	3,156,802	1.27	347
2004	228,548	3,225,000	-	3,453,548	1.39	379
2003	239,666	3,500,000	-	3,739,666	1.50	411
2002	-	-	475,000	475,000	0.19	52
2001	-	-	930,000	930,000	0.37	102

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

1) See Demographics and Economics Statistics Table.

CITY OF ELLISVILLE, MISSOURI
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2010

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable To City Of Ellisville (2)</u>	<u>Amount Applicable To City Of Ellisville</u>
St. Louis County	\$ 37,990,000	1.21%	\$ 449,215
Rockwood School District	191,841,652	8.23%	15,768,374
Metro West Fire Protection District	<u>7,780,000</u>	16.07	<u>1,219,916</u>
City direct debt	<u>229,831,625</u>	100.00%	<u>16,217,589</u>
	<u>\$ 229,831,625</u>		<u>\$ 16,217,589</u>

Source: Bond amounts were provided by the representative taxing districts. Assessments were provided by the respective taxing districts or the St. Louis County Collector.

- 1) Excludes overlapping taxing districts with assessed valuations applicable to the City that are less than 1%.
- 2) Estimated based on 2010 real and personal property.

CITY OF ELLISVILLE, MISSOURI
LEGAL DEBT MARGIN INFORMATION
FOR THE LAST TEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limit	\$27,747,839	\$28,636,950	\$29,016,660	\$28,553,783	\$23,679,103	\$24,124,725	\$21,170,677	\$20,742,137	\$20,020,550	\$19,541,893
Net debt applicable to limit	-	-	-	-	-	-	-	-	475,000	930,000
Legal Debt Margin	<u>\$27,747,839</u>	<u>\$28,636,950</u>	<u>\$29,016,660</u>	<u>\$28,553,783</u>	<u>\$23,679,103</u>	<u>\$24,124,725</u>	<u>\$21,170,677</u>	<u>\$20,742,137</u>	<u>\$19,545,550</u>	<u>\$18,611,893</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	-	-	-	-	-	-	-	-	2.37	4.76

Note: Bonded indebtedness is limited to Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

CITY OF ELLISVILLE, MISSOURI
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>Personal Income</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2010	9,104	38.80	\$ 249,258,416	27,379 %	8.9 %
2009	9,104	38.80	249,258,416	27,379	9.1
2008	9,104	38.80	249,258,416	27,379	6.7
2007	9,104	38.80	249,258,416	27,379	4.9
2006	9,104	38.80	249,258,416	27,379	4.6
2005	9,104	38.80	249,258,416	27,379	4.4
2004	9,104	38.80	249,258,416	27,379	4.7
2003	9,104	38.80	249,258,416	27,379	4.5
2002	9,104	38.80	249,258,416	27,379	4.1
2001	9,104	38.80	249,258,416	27,379	3.2

Source: US Census Bureau Census 2000, US Bureau of Labor Statistics, and Missouri Department of Economic Development.

* City specific data for off census years is not readily available.

CITY OF ELLISVILLE, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<u>Employer</u>	<u>2010</u>			<u>1997*</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment ***</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment**</u>
LifeTime Fitness	289	1	4.2 %	-	-	N/A
Cooper Bussman	280	2	4.1	680	2	N/A
Achievia Tutoring of MO	214	3	3.1	-	-	N/A
Bethesda Meadow	193	4	2.8	175	5	N/A
Rockwood School District	186	5	2.7	-	-	N/A
Bommarito Automotive	157	6	2.3	175	5	N/A
St. John Lutheran Church	152	7	2.2	-	-	N/A
Dierbergs Markets	152	7	2.2	225	3	N/A
The Home Depot #3018	121	9	1.8	-	-	N/A
Coldwell Banker Gundaker	119	10	1.7	-	-	N/A
Citicorp Mortgage, Inc.	-	-	-	1,350	1	N/A
Moore-Cadillac-Pontiac	-	-	-	220	4	N/A
Kmart	-	-	-	151	7	N/A
Shop-N-Save	-	-	-	116	8	N/A
Beuckman Ford, Inc.	-	-	-	99	9	N/A
Ellisville Health Care	-	-	-	85	10	N/A
	<u>1,863</u>		<u>30.30 %</u>	<u>3,276</u>		<u>N/A</u>

* The closest information available to 2001 from the St. Louis Planning Departments is 1997.

** Total number of persons employed in the City are not available at this time.

*** Total number of persons employed in the City is estimated to be 6,820.

Source: St. Louis County Planning Departments and InfoUSA.com as recommended by Missouri Department of Development and by direct telephone calls to employers.

CITY OF ELLISVILLE, MISSOURI
PRINCIPAL EMPLOYMENT BY BUSINESS CATEGORY
CURRENT YEAR AND ONE YEAR AGO

<u>Employer</u>	<u>2010</u>			<u>2009</u>			<u>%</u>
	<u>Employees *</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees *</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	
Restaurants and bars	1,017	1	14.8%	1,067	2	15.7	%
Retail product sales	963	2	14.0%	1,190	1	17.5	
Service businesses	873	3	12.7%	754	4	11.1	
Automotive industry	780	4	11.4%	776	3	11.4	
Medical/dental and related	683	5	10.0%	736	5	10.8	
Construction/contracting	479	6	7.0%	306	8	4.5	
Government	408	7	5.9%	364	7	5.3	
Religious institutions, related schools, charities, and nonprofits	383	8	5.6%	291	9	4.3	
Manufacturing	318	9	4.6%	369	6	5.4	
Professional and consulting services	267	10	3.9%	239	10	3.5	
Banking and financial services	159	11	2.3%	168	12	2.5	
Real estate	153	12	2.2%	205	11	3	
Computers, software and related business	69	13	1.0%	78	13	1.1	
Veterinary and pet care	69	13	1.0%	64	14	0.9	
All others	240		3.5%	213	15	3.0	
	<u>6,861</u>			<u>6,820</u>			

* Information from business license applications.

Since 2009 was the first year employment levels were included in business license applications, comparisons prior to 2009 are not possible.

CITY OF ELLISVILLE, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Administrative:										
Legislative services	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Administrative services	5.5	5.5	5.5	5.5	5.5	5.5	6.0	6.0	6.0	6.0
Finance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Police:										
Officers	22.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	27.5	27.5
Civilians	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Public works:										
Administration	1.5	1.5	1.5	1.5	1.5	2.0	1.0	1.0	1.0	1.0
Street maintenance	16.0	18.0	18.0	18.0	18.0	18.0	17.0	17.0	14.0	14.0
Planning	2.0	2.0	2.0	4.5	4.5	4.0	-	-	-	-
Engineering and storm water	3.5	3.5	3.5	3.5	3.5	3.0	6.5	6.5	6.5	7.5
Municipal court	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Pool/park activities	16.0	19.0	14.0	14.0	14.0	30.0	28.5	29.0	29.0	26.0
Park	3.0	3.0	2.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0

1) Source: Annual budget document

CITY OF ELLISVILLE, MISSOURI
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Police-patrol:										
Arrests	375	220	215	174	210	185	195	170	N/A	N/A
Traffic citations	3239	2800	2800	2838	2588	2950	2938	1879	N/A	N/A
Crime reports	44	40	40	39	77	69	71	N/A	N/A	N/A
Accident reports	289	303	350	351	371	400	436	399	N/A	N/A
DWI arrests	41	20	25	20	31	36	36	N/A	N/A	N/A
Public works:										
Road repair-tons of mix-STR	40	42	40	45	50	50	50	45	N/A	N/A
Linear feet of storm pipe cleared	70	70	60	60	60	70	70	60	N/A	N/A
Traffic control signs serviced	140	145	150	155	150	140	145	150	N/A	N/A
Leaves collected-cubic yards	1300	1200	1100	1300	1100	1000	1050	1100	N/A	N/A
Weed violations issued-HW	200	200	42	35	52	65	19	23	N/A	N/A
Acres moved and maintained-P	131	143	200	200	200	200	200	200	N/A	N/A
Trees and shrubs planted-P	45/52	40/50	45/88	50/80	40/51	4/5	7/9	4/5	N/A	N/A
Planning and building:										
Site development-PL	5	6	7	8	8	7	N/A	N/A	N/A	N/A
Rezoning applications-PL	2	6	5	6	4	7	4	3	N/A	N/A
Text amendments-PL	9	15	5	3	3	4	N/A	N/A	N/A	N/A
Building permits issued-BI	47	20	165	168	187	326	180	236	N/A	N/A
Finance and administration:										
Merchant licenses issued-F	598	606	638	636	595	564	568	516	481	N/A
Payroll checks issued-F	2050	2115	2024	1986	1952	2,035	2,049	2,086	N/A	N/A
Accounts payable processed-F	2100	2075	2210	2156	2427	2,307	2,510	2,803	N/A	N/A
Requests for public records-LE	16	53	53	47	52	52	N/A	N/A	N/A	N/A

CITY OF ELLISVILLE, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	7	7	7	7	7	7	7	7	7	7
Sectors	2	2	2	2	2	2	2	2	2	2
Public Works:										
Miles of street	83	83	83	82	80	77	77	N/A	N/A	N/A
Street lights and signals	453	453	453	448	440	440	440	N/A	N/A	N/A
Parks and recreation:										
Number of parks	11	11	11	11	11	11	11	10	10	10
Acres of parks	231	231	231	231	231	231	231	200	200	198
Number of multi-use trails	5	5	5	5	5	5	5	5	2	2
Miles of multi-use trails	9	9	9	9	9	9	9	9	6	6

