

CITY OF ELLISVILLE, MISSOURI

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2011***

Prepared by: Finance Department

CITY OF ELLISVILLE, MISSOURI

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CITY OF ELLISVILLE, MISSOURI
PRINCIPAL CITY OFFICIALS
DECEMBER 31, 2011

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

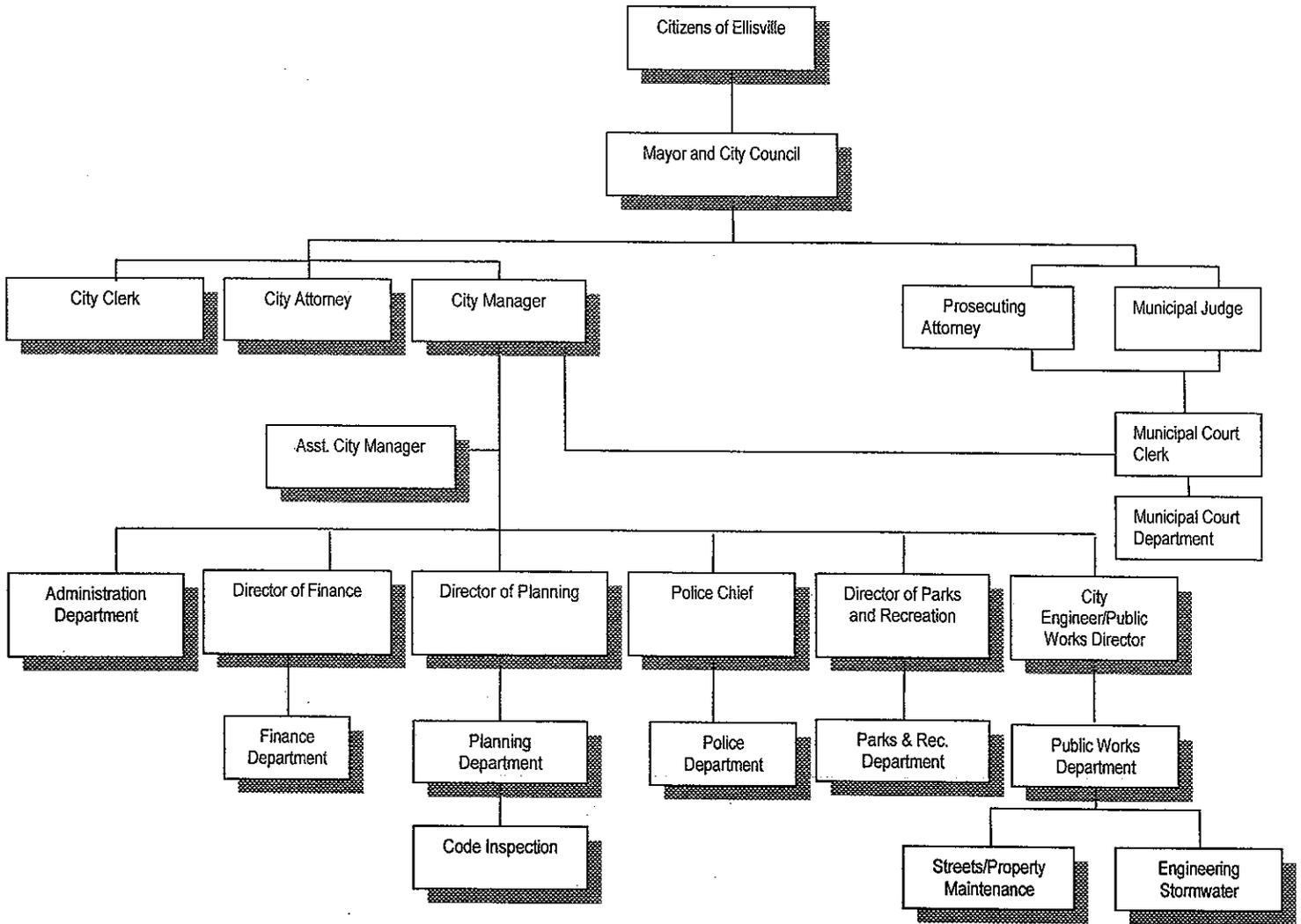
Kevin Bookout, City Manager
Paul Martin, City Attorney and Prosecuting Attorney
Catherine Demeter, City Clerk
Donald Anderson, Municipal Judge

MANAGEMENT STAFF

Andrea Muskopf, 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, 2010

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director



City of Ellisville

May 16, 2012

The Honorable Adam Paul, 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, 2011 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 30 consecutive years. The residential area includes single-family homes, townhouses, apartments, duplexes and condominiums. Approximately 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 economic outlook for the City of Ellisville continues to be impacted by the general slow recovery from the recession. Even with this recovery the largest source of revenue, sales taxes, have been decreasing during most of the past ten years.

Your response as a Council to this decline has been to consider the impact this will have on the City's future and consider options. As you discussed with the Citizens of Ellisville in town hall meetings, cost savings was the first step. You also discussed a possible new revenue source, a larger stronger retail business base and even the possibility of selling some City property. As a result of those meetings you put a capital improvement sales tax before the voters which they approved. You also continued your work on identifying areas for possible redevelopment. Of course this has been done in conjunction with the multi city Great Streets Project for the main highway through the City known as Manchester Road.

The next step in the necessary multiple pointed attack for the future of Ellisville was taken recently with your approval of a redevelopment project. This area can be an anchor for the redevelopment of the area to the east for smaller business and/or mixed use. Adding this to the Ellisville Business Park and the relatively new retail center anchored by LifeTime Fitness will help the City with its economic recovery.

Long-Term Financial Planning. Each year the City updates its five-year capital improvement plan for major capital expenditures. Projects totaling approximately \$24.6 million are planned for the years 2012 – 2016. Each major capital expenditure includes a proposed source of revenue to pay for it. The major revenue sources include the ½% stormwater sales tax, the new ½% capital improvements sales tax, the gasoline and motor vehicle taxes, grants, and the ¼% sales tax for parks and recreation. The City's goal is to also provide funds for capital expenditures in each year's budget. Long term planning allows some items to be included without a source to pay for the expenditure. This recognizes a need as well as the limitations of the City's current financial status.

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 2011, 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, 2011. This is the sixteenth 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, 2010. This is the nineteenth 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 sixteenth 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 stormwater facilities up-to-date by installing stormwater 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:

- Completion of an expanded playground in Bluebird Park utilizing a \$184,000 grant.
- Completion of street and stormwater improvements on Fairview Drive.
- Replacement of five times the number of signs as previous years to work toward meeting federal retro-reflective sign requirements.
- 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 12,600 calls for Police service were provided with about 50 of them being for criminal investigations.
- A master plan for sidewalks and Trails was completed.
- A new "Live Scan" fingerprint system was implemented by the Police department.

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.

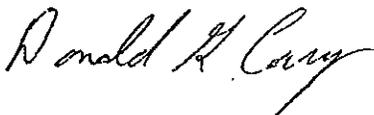
ACKNOWLEDGMENTS

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 significant. The staff's commitment to providing the information in this report in a timely manner is necessary and appreciated as the City continues the long tradition of excellence in financial reporting.

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 you, the Mayor and City Council, as you have set a responsible financial course including quality reporting to the citizens 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, 2011, 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, 2011, 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 32 and 35 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.

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 and the budgetary comparison schedules included in the supplemental information section 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 7, 2012

**CITY OF ELLISVILLE, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011**

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, 2011. 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 \$32,436,562.
- As of the close of the current fiscal year, the City of Ellisville's governmental funds reported combined ending fund balances of \$6,584,737, an increase of \$1,363,087 in comparison to the prior year.
- The City's total net assets increased by \$1,227,774.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$2,182,216 or 39.6% of total general fund expenditures, 20.2% above the target in the City's fiscal policy.
- The City of Ellisville's total debt decreased by \$585,000 during the current fiscal year, as a result of continued annual payments on certificates of participation.
- During the fiscal year, the City's general fund revenues exceeded the expenditures by \$645,323.

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 \$32,436,562 as of December 31, 2011. 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

	2011	2010	Increase (Decrease)
Current and other assets	\$ 7,740,432	\$ 6,432,954	\$ 1,307,478
Capital assets	30,955,031	31,547,172	(585,493)
Total assets	<u>38,695,463</u>	<u>37,980,126</u>	<u>721,985</u>
Current and other liabilities	999,310	1,028,630	(29,320)
Long-term liabilities	5,259,591	5,742,708	(483,117)
Total liabilities	<u>6,258,901</u>	<u>6,771,338</u>	<u>(512,437)</u>
Net assets:			
Invested in capital assets, net of related debt	25,991,549	25,999,283	(7,734)
Restricted	4,018,748	3,233,607	785,141
Unrestricted	2,426,265	1,975,898	450,367
Total net assets	<u>\$ 32,436,562</u>	<u>\$ 31,208,788</u>	<u>\$ 1,227,774</u>

Governmental activities increased the City's net assets by \$1,227,774. The key elements of this increase are as follows:

Table 2

	2011	2010	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 1,662,901	\$ 1,712,020	\$ (49,119)
Operating grants and contributions	279,696	4,464	275,232
General revenues:			
Taxes	7,612,665	7,211,854	400,811
Interest income	45,806	63,617	(17,811)
Miscellaneous	57,541	14,714	42,827
Total revenues	<u>9,658,609</u>	<u>9,006,669</u>	<u>651,940</u>
Expenses:			
Administrative	1,452,871	1,452,050	821
Police department	1,968,803	2,008,510	(39,707)
Public works	1,768,150	1,563,054	205,096
Planning, inspection and engineering	1,733,042	1,626,248	106,794
Municipal court	361,614	360,569	1,045
Recreation	911,687	875,619	36,068
Interest and fiscal charges	234,668	254,943	(20,275)
Total expenses	<u>8,430,835</u>	<u>8,140,993</u>	<u>289,842</u>
Increase in net assets	1,227,774	865,676	362,098
Net assets, beginning of year	31,208,788	30,343,112	865,676
Net assets, end of year	<u>\$ 32,436,562</u>	<u>\$ 31,208,788</u>	<u>\$ 1,227,774</u>

Revenues increased by \$651,940 in 2011 compared to 2010. This increase was due to two major factors:

- 1.) An increase in sales tax revenue due to a new tax for capital infrastructure.

2.) A grant for new playground equipment. These increases in revenues were expected and budgeted for accordingly.

Expenses increased \$289,842 from the prior year. This increase in expenditures was due to several new city projects occurring in 2011.

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 2011	Fiscal Year Ending 2010	Increase (Decrease)	Percentage Change
General Fund:				
Taxes	\$ 4,645,442	\$ 4,554,626	\$ 90,816	2.0 %
Licenses, permits and inspection fees	599,781	517,430	82,351	15.9
Fines and court costs	732,973	813,618	(80,645)	(9.9)
Investment income	13,877	23,135	(9,258)	(40.0)
Charges for service	22,616	19,174	3,442	18.0
Miscellaneous	134,833	14,821	120,012	809.7
Total General Fund Revenues	\$ 6,149,522	\$ 5,942,804	\$ 206,718	3.5 %

General Fund Revenues increased \$206,718 from last fiscal year. 75.5% 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 increased \$29,941 from last year, franchise taxes increased \$39,966 and property tax increased \$6,528. These factors contributed to an overall increase in tax revenue.

Revenue from licenses, permits and inspection fees increased \$82,351 due to an increase in the number of businesses license renewals and an increase in number building permits issued as a result of the economy improving. Fines and court costs decreased \$80,645 due to drivers becoming more aware of the red light camera locations and driving more carefully.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year 2011, the City had \$45,035,743 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 \$639,059 or 1.4% over the prior fiscal year. The City had street improvements totaling \$407,927 and park improvements of \$185,869 during the year. The City also purchased two new police cars totaling \$50,264 and installed a new security system for \$23,534.

Table 4

	2011	2010	Increase (Decrease)
Land	\$ 2,276,529	\$ 2,276,529	\$ -
Construction in progress	478,696	219,825	258,871
Buildings and improvements	13,351,111	13,344,831	6,280
Vehicles and machinery	2,159,497	1,896,383	263,114
Infrastructure	26,769,910	26,659,116	110,794
Total	<u>\$ 45,035,743</u>	<u>\$ 44,396,684</u>	<u>\$ 639,059</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 \$4,970,000 in outstanding debt compared to \$5,555,000 at the end of the prior fiscal year, a decrease of 10.5%.

Table 5

	2011	2010	Increase (Decrease)
Certificates of Participation	\$ 4,970,000	\$ 5,555,000	\$ (585,000)
Less: discounts	<u>(6,518)</u>	<u>(7,111)</u>	<u>593</u>
Total	<u>\$ 4,963,482</u>	<u>\$ 5,547,889</u>	<u>\$ (584,407)</u>

During the fiscal year, the City made principal payments totaling \$585,000 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, 2011, the governmental funds of the City reported a combined fund balance of \$6,584,737. This ending fund balance is an increase of \$1,363,087 from the prior year. This increase was attributable to more taxes collected in the Storm Water Projects and Capital Infrastructure Funds than costs incurred for 2011 scheduled projects.

General Fund Budgetary Highlights

For 2011, actual expenditures in the General Fund were \$5,504,199 compared to the budget amount of \$5,709,343. The variance between the final budget and actual expenditures were partly due to a vacant position in the police department during all of 2011.

For 2011, actual revenues in the General Fund were \$6,149,522 compared to the budget amount of \$5,778,250. The variance between the final budget and actual results were due to sales tax results being above expectations because of the recovering economy.

There were no significant changes to the original budget.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The voters in Ellisville approved a ½% sales tax for capital improvements in April 2011. This sales tax took effect October 1, 2011. This new revenue source was important in the City's ability to achieve a balanced budget for 2012. The ongoing efforts of the City Council and staff provided the City with a better starting point for the 2012 fiscal year.

Even with a new revenue source and a stronger starting point, it was necessary to make cuts to the proposed budget for 2012. These cuts included capital expenditures and keeping some operating costs at unsustainably low levels.

Sales taxes have been projected at approximately 99% of the previous year. This reflects a low inflation rate and a soft economic recovery. In April 2012 the fourth largest sales tax business in Ellisville announced plans to close. This justifies the conservative sales tax estimate. It will also be a point to be reviewed throughout the year to see if any budget adjustments will be necessary.

The budget for 2012 includes a net increase in fund balance of \$128,319. This positive balance is only 1.2% of the budgeted expenditures for the year. The ending fund balances for the General Fund and Capital Infrastructure Fund are larger than the required reserve balances.

The ½% Capital Improvements Sales Tax has allowed the City to resume making some capital purchases Public Works vehicles and plan for some future great street improvements utilizing grants.

In order for the City to continue to prosper it is apparent that the business base must be expanded or revitalized. The Council is currently considering the first major redevelopment proposal in many years. This project should become the largest sale tax producer in the City and could be an anchor for the area and future redevelopment. This is a strong example of the City Council's commitment to a sound financial future for Ellisville.

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, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 5,317,925
Taxes receivable:	
Property	359,674
Other	1,134,938
Cash and investments - restricted	778,782
Prepaid insurance	81,558
Deferred charges	67,555
Capital assets - net	
Nondepreciable	2,755,225
Depreciable	28,199,806
TOTAL ASSETS	<u>38,695,463</u>
 LIABILITIES	
Accounts and retainage payable	181,207
Accrued interest payable	17,444
Accrued wages	124,041
Court bonds payable	15,564
Deposits payable	547,895
Other liabilities	32,555
Unearned revenue	15,000
Due to fiduciary fund	65,604
Noncurrent liabilities:	
Due in one year	780,000
Due in more than one year	4,479,591
TOTAL LIABILITIES	<u>6,258,901</u>
 NET ASSETS	
Invested in capital assets, net of related debt	25,991,549
Restricted for:	
Debt service	778,782
Storm water	1,759,957
Sewer	431,539
Parks	129,999
Capital projects	918,471
Unrestricted	2,426,265
TOTAL NET ASSETS	<u>\$ 32,436,562</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, 2011

Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Change in Net Assets
		Charges for Service	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Administrative	\$ 1,452,871	\$ 517,205	\$ -	\$ (935,666)
Police department	1,968,803	736,223	-	(1,232,580)
Public works	1,768,150	-	-	(1,768,150)
Planning, inspection and engineering	1,733,042	101,942	-	(1,631,100)
Municipal court	361,614	-	-	(361,614)
Recreation	911,687	307,531	279,696	(324,460)
Interest and fiscal charges	234,668	-	-	(234,668)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 8,430,835	\$ 1,662,901	\$ 279,696	(6,488,238)
Taxes:				
Sales				4,612,205
Utility				1,660,527
Property				734,161
Franchise				110,642
Other				495,130
Interest income				45,806
Other miscellaneous revenue				57,541
TOTAL GENERAL REVENUES				7,716,012
CHANGE IN NET ASSETS				1,227,774
NET ASSETS BEGINNING OF YEAR				31,208,788
NET ASSETS END OF YEAR				\$ 32,436,562

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

CITY OF ELLISVILLE, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General Fund	Storm Water Projects Fund	Parks Fund	Capital Infrastructure Fund	Other Non-major Funds	Total
ASSETS AND OTHER DEBITS						
Cash and investments	\$2,336,337	\$ 1,626,621	\$ 51,700	\$ 589,310	\$ 713,957	\$5,317,925
Taxes receivable:						
Property	190,274	-	-	147,058	22,342	359,674
Other	616,495	205,758	88,799	223,886	-	1,134,938
Cash and investments - restricted	-	-	428,782	350,000	-	778,782
Prepaid items	81,558	-	-	-	-	81,558
TOTAL ASSETS	<u>\$3,224,664</u>	<u>\$ 1,832,379</u>	<u>\$ 569,281</u>	<u>\$1,310,254</u>	<u>\$ 736,299</u>	<u>\$7,672,877</u>
LIABILITIES						
Accounts payable	\$ 125,612	\$ 52,094	\$ 879	\$ 77	\$ 2,545	\$ 181,207
Accrued wages	112,626	5,328	6,087	-	-	124,041
Court bonds payable	15,564	-	-	-	-	15,564
Deposits payable	547,895	-	-	-	-	547,895
Other liabilities	29,021	-	3,534	-	-	32,555
Due to other funds	65,604	-	-	-	-	65,604
Deferred revenue	64,568	15,000	-	41,706	-	121,274
TOTAL LIABILITIES	<u>960,890</u>	<u>72,422</u>	<u>10,500</u>	<u>41,783</u>	<u>2,545</u>	<u>1,088,140</u>
FUND BALANCES:						
Fund balances:						
Non-spendable	81,558	-	-	-	-	81,558
Restricted:						
Stormwater projects	-	1,759,957	-	-	-	1,759,957
Parks	-	-	129,999	-	-	129,999
Debt service	-	-	428,782	350,000	-	778,782
Capital projects	-	-	-	918,471	21,260	939,731
Sewer repairs	-	-	-	-	431,539	431,539
Committed:						
Contingency	-	-	-	-	270,169	270,169
Assigned:						
Equipment replacement	-	-	-	-	10,786	10,786
Unassigned	2,182,216	-	-	-	-	2,182,216
TOTAL FUND BALANCES	<u>2,263,774</u>	<u>1,759,957</u>	<u>558,781</u>	<u>1,268,471</u>	<u>733,754</u>	<u>6,584,737</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$3,224,664</u>	<u>\$ 1,832,379</u>	<u>\$ 569,281</u>	<u>\$1,310,254</u>	<u>\$ 736,299</u>	<u>\$7,672,877</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, 2011

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

Total fund balance per balance sheet	\$ 6,584,737
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	30,955,031
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	106,274
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.	(17,444)
Long-term liabilities, including certificates of participation notes, net of related discounts and the net pension obligation are not due and payable in the current period and therefore, are not reported in the funds.	<u>(5,192,036)</u>
Net assets of governmental activities	<u><u>\$ 32,436,562</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, 2011

	General Fund	Storm Water Projects Fund	Park Fund	Capital Infrastructure Fund	Other Non-major Funds	Total
REVENUES						
Taxes	\$4,645,442	\$1,402,817	\$ 604,326	\$ 890,029	\$ -	\$7,542,614
Licenses, permits, and inspection fees	599,781	-	-	-	-	599,781
Fines and court costs	732,973	-	-	-	-	732,973
Investment income	13,877	14,151	4,399	7,954	5,425	45,806
Charges for service	22,616	-	307,531	-	91,393	421,540
Grants and miscellaneous	134,833	-	202,404	-	-	337,237
TOTAL REVENUES	<u>6,149,522</u>	<u>1,416,968</u>	<u>1,118,660</u>	<u>897,983</u>	<u>96,818</u>	<u>9,679,951</u>
EXPENDITURES						
Current:						
Administrative	1,434,525	-	-	-	-	1,434,525
Police	1,849,771	-	-	-	-	1,849,771
Public works	1,428,831	-	-	-	17,371	1,446,202
Planning, inspection, and engineering	408,261	290,187	-	-	-	698,448
Municipal court	361,614	-	-	-	-	361,614
Recreation	-	-	583,698	-	-	583,698
Capital outlay	21,197	746,061	221,547	53,663	86,010	1,128,478
Debt service:						
Principal, interest and fiscal charges	-	-	420,340	393,788	-	814,128
TOTAL EXPENDITURES	<u>5,504,199</u>	<u>1,036,248</u>	<u>1,225,585</u>	<u>447,451</u>	<u>103,381</u>	<u>8,316,864</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	645,323	380,720	(106,925)	450,532	(6,563)	1,363,087
OTHER FINANCING SOURCES (USES)						
Transfer in (out)	(110,000)	-	-	-	110,000	-
NET CHANGE IN FUND BALANCES	535,323	380,720	(106,925)	450,532	103,437	1,363,087
FUND BALANCES - BEGINNING 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>
FUND BALANCES - END OF YEAR	<u>\$2,263,774</u>	<u>\$1,759,957</u>	<u>\$ 558,781</u>	<u>\$1,268,471</u>	<u>\$ 733,754</u>	<u>\$6,584,737</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, 2011

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

Change in fund balance-total governmental funds	\$ 1,363,087
Revenues that do not provide current financial resources are not included in the fund financial statements.	(21,342)
The acquisition of capital assets requires the use of current financial resources but has no effect on net assets.	945,018
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(1,432,212)
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.	(104,947)
Repayment of notes payable is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	585,000
Some expenses do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds:	
Compensated absences	(25,971)
Net pension obligation	(75,319)
Accrued interest	1,808
Amortization of debt issuance costs	<u>(7,348)</u>
Change in net assets of governmental activities	<u>\$ 1,227,774</u>

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

CITY OF ELLISVILLE, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2011

ASSETS

CURRENT ASSETS
Due from other funds

\$ 65,604

NET ASSETS

NET ASSETS HELD IN TRUST FOR:
Health benefits

\$ 65,604

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, 2011

ADDITIONS	
Interest	\$ 585
NET ASSETS HELD IN TRUST - BEGINNING OF YEAR	<u>65,019</u>
NET ASSETS HELD IN TRUST - END OF YEAR	<u><u>\$ 65,604</u></u>

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, 2011

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 requirements to provide additional 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, 2011, upon which the 2011 levy was based on an assessed value for real, personal and public utility property of \$268,513,111. 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.

I. **INTERFUND TRANSACTIONS**

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

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. The General Fund is generally used to liquidate the liability for accrued vacation.

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**

In government-wide financial statements net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal on related debt. Net assets invested in capital assets, net of related debt does not include the unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the Authority (such as creditors, grantors, contributors, laws and regulations of other governments). All other net assets are considered unrestricted.

The statement of net assets reports \$4,018,748 of restricted net assets. Of the amount, \$3,239,966 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.

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

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

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

Committed - Resources which are subject to limitations the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

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

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

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

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

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, 2011, 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.

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.

2. **DEPOSITS AND INVESTMENTS - continued**

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	\$ 4,450,155	\$ -	\$ 1,094,634	\$ 3,355,521	N/A
Repurchase agreement	930,000	-	930,000	-	N/A
Money market funds	<u>778,805</u>	<u>778,805</u>	<u>-</u>	<u>-</u>	N/A
Total	<u>\$ 6,158,960</u>	<u>\$ 778,805</u>	<u>\$ 2,024,634</u>	<u>\$ 3,355,521</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, 2011 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>219,825</u>	<u>478,696</u>	<u>(219,825)</u>	<u>478,696</u>
Total capital assets not, being depreciated	<u>2,496,354</u>	<u>478,696</u>	<u>(219,825)</u>	<u>2,755,225</u>
Capital assets, being depreciated:				
Buildings and improvements	13,344,831	6,280	-	13,351,111
Vehicles and equipment	1,896,383	263,114	-	2,159,497
Infrastructure	<u>26,659,116</u>	<u>416,753</u>	<u>(305,959)</u>	<u>26,769,910</u>
Total capital assets, being depreciated	<u>41,900,330</u>	<u>686,147</u>	<u>(305,959)</u>	<u>42,280,518</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,931,135)	(407,836)	-	(2,338,971)
Vehicles and equipment	(1,218,600)	(104,888)	-	(1,323,488)
Infrastructure	<u>(9,699,777)</u>	<u>(919,488)</u>	<u>201,012</u>	<u>(10,418,253)</u>
Total accumulated depreciation	<u>(12,849,512)</u>	<u>(1,432,212)</u>	<u>201,012</u>	<u>(14,080,712)</u>
Total capital assets, being depreciated, net	<u>29,050,818</u>	<u>(746,065)</u>	<u>(104,947)</u>	<u>28,199,806</u>
Total governmental activities	<u>\$ 31,547,172</u>	<u>\$ (267,369)</u>	<u>\$ (324,772)</u>	<u>\$ 30,955,031</u>

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

Governmental activities:	
Administrative	\$ 6,428
Police	54,190
Public works	177,637
Planning, inspection and engineering	905,593
Recreation	<u>288,364</u>
Total depreciation expense - governmental activities	<u>\$ 1,432,212</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 Capital Infrastructure Fund. At December 31, 2011, the City had \$1,060,000 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>
2012	\$ 350,000	\$ 40,638	\$ 390,638
2013	710,000	27,513	737,513
TOTAL	\$ 1,060,000	\$ 68,151	\$ 1,128,151

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 Parks Fund. At December 31, 2011, the City had \$3,910,000 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>
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	820,000	18,450	838,450
TOTAL	\$ 3,910,000	\$ 1,110,605	\$ 5,020,605

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

Long-term liability activity for the year ended December 31, 2011, was as follows:

	BALANCE, BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	BALANCE, END OF YEAR	DUE WITHIN ONE YEAR
Governmental activities:					
Certificates of Participation	\$ 5,555,000	\$ -	\$ (585,000)	\$ 4,970,000	\$ 605,000
Less: discounts	(7,111)	-	593	(6,518)	-
Net pension obligation	-	75,319	-	75,319	-
Compensated absences	194,819	201,308	(175,337)	220,790	175,000
Total governmental activities	<u>\$ 5,742,708</u>	<u>\$ 276,627</u>	<u>\$ (759,744)</u>	<u>\$ 5,259,591</u>	<u>\$ 780,000</u>

5. **INTERFUND TRANSACTIONS**

The following operating transfers were made during the fiscal year ending December 31, 2011:

	TRANSFER IN	TRANSFER OUT
General Fund	\$ -	\$ 110,000
Equipment Replacement Fund	60,000	-
Contingency Fund	50,000	-

Interfund transfers were made primarily to cover capital asset acquisitions.

6. **INTERFUND RECEIVABLES AND PAYABLES**

Due to/from other funds at December 31, 2011 are as follows:

	DUE TO	DUE FROM
General Fund	\$ -	\$ 65,604
Benevolent Fund	65,604	-

The funds held for 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 70.600 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 7.2% (general) and 11.7% (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 (NPO) for the current year were as follows:

Annual required contribution	\$ 285,960
Interest on net pension obligation	2,199
Adjustment to annual required contribution	<u>(1,671)</u>
Annual pension cost	286,488
Actual contributions	<u>240,492</u>
Increase (decrease) in NPO	45,996
NPO beginning of year	<u>29,323</u>
NPO end of year	<u>\$ 75,319</u>

The annual required contribution (ARC) was determined as part of the February 28, 2009 and February 28, 2010 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2011 included (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually; (b) projected salary increases of 3.5% 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 75% of the RP-2000 Combined Healthy table set back 0 years for table set back 0 years for men and 0 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 28, 2009 was 30 years for the General division and 30 years for the Police division. The amortization period at February 28, 2010 was 30 years for the General division and 26 years for the Police division.

7. **RETIREMENT PLAN** - continued

Funding Status - continued

Three year trend information follows:

For The Years Ended December 31	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2009	\$ 196,414	100.0 %	\$ -
2010	250,626	88.3	29,323
2011	286,488	83.9	75,319

Schedule of funding progress follows:

Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Actuarial Value Of Assets	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL AS A Percentage of Covered Payroll
2/28/2009	\$4,233,686	\$4,774,635	540,949	89 %	\$2,821,717	19 %
2/28/2010	4,556,087	5,218,259	662,172	87	2,992,582	23
2/28/2011	5,239,431	5,742,057	502,626	91	2,775,552	18

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, 2011 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 2011 premiums payments to the trusts were \$109,108.

9. **RISK MANAGEMENT - continued**

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, 2011 were \$5,265,000.

11. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through May 7, 2012, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ELLISVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 4,394,700	\$ 4,394,700	\$ 4,645,442	\$ 250,742
Licenses, permits, and inspection fees	532,800	532,800	599,781	66,981
Fines and court costs	830,750	830,750	732,973	(97,777)
Investment income	8,000	8,000	13,877	5,877
Charges for service	-	-	22,616	22,616
Miscellaneous	12,000	12,000	134,833	122,833
TOTAL REVENUES	<u>5,778,250</u>	<u>5,778,250</u>	<u>6,149,522</u>	<u>371,272</u>
EXPENDITURES				
Current:				
Administrative	1,454,737	1,454,737	1,434,525	20,212
Police	2,002,015	2,002,015	1,849,771	152,244
Public works	1,433,633	1,433,633	1,428,831	4,802
Planning, inspection, and engineering	415,661	415,661	408,261	7,400
Municipal court	403,297	403,297	361,614	41,683
Capital outlay	-	-	21,197	(21,197)
TOTAL EXPENDITURES	<u>5,709,343</u>	<u>5,709,343</u>	<u>5,504,199</u>	<u>205,144</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>68,907</u>	<u>68,907</u>	<u>645,323</u>	<u>576,416</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	<u>(160,000)</u>	<u>(160,000)</u>	<u>(110,000)</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCES	<u>(91,093)</u>	<u>(91,093)</u>	<u>535,323</u>	<u>\$ 626,416</u>
FUND BALANCES - BEGINNING OF YEAR	<u>1,728,451</u>	<u>1,728,451</u>	<u>1,728,451</u>	
FUND BALANCES - END OF YEAR	<u>\$ 1,637,358</u>	<u>\$ 1,637,358</u>	<u>\$ 2,263,774</u>	

CITY OF ELLISVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
STORM WATER PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
REVENUES				
Taxes	\$ 1,370,000	\$ 1,370,000	\$ 1,402,817	\$ 32,817
Investment income	10,500	10,500	14,151	3,651
TOTAL REVENUES	<u>1,380,500</u>	<u>1,380,500</u>	<u>1,416,968</u>	<u>36,468</u>
EXPENDITURES				
Current:				
Planning, inspection, and engineering	300,935	300,935	290,187	10,748
Capital outlay	935,400	935,400	746,061	189,339
TOTAL EXPENDITURES	<u>1,236,335</u>	<u>1,236,335</u>	<u>1,036,248</u>	<u>200,087</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	144,165	144,165	380,720	<u>\$ 236,555</u>
FUND BALANCES - BEGINNING OF YEAR	<u>1,379,237</u>	<u>1,379,237</u>	<u>1,379,237</u>	
FUND BALANCES - END OF YEAR	<u>\$ 1,523,402</u>	<u>\$ 1,523,402</u>	<u>\$ 1,759,957</u>	

CITY OF ELLISVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PARKS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 590,000	\$ 590,000	\$ 604,326	\$ 14,326
Investment income	7,000	7,000	4,399	(2,601)
Charges for service	281,000	281,600	307,531	25,931
Miscellaneous	184,000	184,000	202,404	18,404
TOTAL REVENUES	<u>1,062,000</u>	<u>1,062,600</u>	<u>1,118,660</u>	<u>56,060</u>
EXPENDITURES				
Current:				
Recreation	686,390	686,390	583,698	102,692
Capital outlay	218,800	218,800	221,547	(2,747)
Debt service:				
Principal, interest and fiscal charges	420,340	420,340	420,340	-
TOTAL EXPENDITURES	<u>1,325,530</u>	<u>1,325,530</u>	<u>1,225,585</u>	<u>99,945</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(263,530)</u>	<u>(262,930)</u>	<u>(106,925)</u>	<u>156,005</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	120,000	120,000	-	(120,000)
NET CHANGE IN FUND BALANCES	(143,530)	(142,930)	(106,925)	<u>\$ 36,005</u>
FUND BALANCES - BEGINNING OF YEAR	<u>665,706</u>	<u>665,706</u>	<u>665,706</u>	
FUND BALANCES - END OF YEAR	<u>\$ 378,646</u>	<u>\$ 379,846</u>	<u>\$ 558,781</u>	

CITY OF ELLISVILLE, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011

	Capital Projects Fund		Special Revenue Funds		Total
	Equipment Replacement Fund	Debt Proceeds Fund	Contingency Fund	Sewer Fund	
ASSETS AND OTHER DEBITS					
Cash and investments	\$ 10,786	\$ 21,260	\$ 270,169	\$ 411,742	\$ 713,957
Taxes receivable - property	-	-	-	22,342	22,342
TOTAL ASSETS	<u>\$ 10,786</u>	<u>\$ 21,260</u>	<u>\$ 270,169</u>	<u>\$ 434,084</u>	<u>\$ 736,299</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,545	\$ 2,545
FUND BALANCES					
Restricted:					
Capital projects	-	21,260	-	-	21,260
Sewer repairs	-	-	-	431,539	431,539
Committed:					
Contingency	-	-	270,169	-	270,169
Assigned:					
Equipment replacement	10,786	-	-	-	10,786
TOTAL FUND BALANCES	<u>10,786</u>	<u>21,260</u>	<u>270,169</u>	<u>431,539</u>	<u>733,754</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,786</u>	<u>\$ 21,260</u>	<u>\$ 270,169</u>	<u>\$ 434,084</u>	<u>\$ 736,299</u>

CITY OF ELLISVILLE, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Capital Projects Fund		Special Revenue Funds		
	Equipment Replacement Fund	Debt Proceeds Fund	Contingency Fund	Sewer Fund	Total
REVENUES					
Charges for services	\$ -	\$ -	\$ -	91,393	\$ 91,393
Investment income	155	-	2,036	3,234	5,425
TOTAL REVENUES	<u>155</u>	<u>-</u>	<u>2,036</u>	<u>94,627</u>	<u>96,818</u>
EXPENDITURES					
Current:					
Public works	-	-	-	17,371	17,371
Capital outlay	69,568	-	-	16,442	86,010
TOTAL EXPENDITURES	<u>69,568</u>	<u>-</u>	<u>-</u>	<u>33,813</u>	<u>103,381</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(69,413)	-	2,036	60,814	(6,563)
OTHER FINANCING SOURCES (USES)					
Operating transfer in (out)	60,000	-	50,000	-	110,000
NET CHANGE IN FUND BALANCES	(9,413)	-	52,036	60,814	103,437
FUND BALANCES - BEGINNING OF YEAR	<u>20,199</u>	<u>21,260</u>	<u>218,133</u>	<u>370,725</u>	<u>630,317</u>
FUND BALANCES - END OF YEAR	<u>\$ 10,786</u>	<u>\$ 21,260</u>	<u>\$ 270,169</u>	<u>\$ 431,539</u>	<u>\$ 733,754</u>

CITY OF ELLISVILLE, MISSOURI
BUDGETARY COMPARISON SCHEDULE
CAPITAL INFRASTRUCTURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 633,000	\$ 633,000	\$ 890,029	\$ 257,029
Investment income	4,000	4,000	7,954	3,954
TOTAL REVENUES	<u>637,000</u>	<u>637,000</u>	<u>897,983</u>	<u>260,983</u>
EXPENDITURES				
Capital outlay	55,000	55,000	53,663	1,337
Debt service:				
Principal, interest and fiscal charges	393,800	393,800	393,788	12
TOTAL EXPENDITURES	<u>448,800</u>	<u>448,800</u>	<u>447,451</u>	<u>1,349</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	188,200	188,200	450,532	<u>\$ 262,332</u>
FUND BALANCES - BEGINNING OF YEAR	<u>817,939</u>	<u>817,939</u>	<u>817,939</u>	
FUND BALANCES - END OF YEAR	<u>\$ 1,006,139</u>	<u>\$ 1,006,139</u>	<u>\$ 1,268,471</u>	

CITY OF ELLISVILLE, MISSOURI
BUDGETARY COMPARISON SCHEDULE
EQUIPMENT REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Investment income	\$ 200	\$ 200	\$ 155	\$ (45)
EXPENDITURES				
Capital outlay	<u>52,000</u>	<u>69,700</u>	<u>69,568</u>	<u>132</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(51,800)	(69,500)	(69,413)	87
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	<u>40,000</u>	<u>40,000</u>	<u>60,000</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCES	(11,800)	(29,500)	(9,413)	<u>\$ 20,087</u>
FUND BALANCES - BEGINNING OF YEAR	<u>20,199</u>	<u>20,199</u>	<u>20,199</u>	
FUND BALANCES - END OF YEAR	<u>\$ 8,399</u>	<u>\$ (9,301)</u>	<u>\$ 10,786</u>	

CITY OF ELLISVILLE, MISSOURI
BUDGETARY COMPARISON SCHEDULE
CONTINGENCY FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Investment income	\$ 1,600	\$ 1,600	\$ 2,036	\$ 436
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,600	1,600	2,036	436
OTHER FINANCING SOURCES (USES)				
Operating transfer in (out)	-	-	50,000	50,000
NET CHANGE IN FUND BALANCES	1,600	1,600	52,036	<u>\$ 50,436</u>
FUND BALANCES - BEGINNING OF YEAR	<u>218,133</u>	<u>218,133</u>	<u>218,133</u>	
FUND BALANCES - END OF YEAR	<u>\$ 219,733</u>	<u>\$ 219,733</u>	<u>\$ 270,169</u>	

CITY OF ELLISVILLE, MISSOURI
BUDGETARY COMPARISON SCHEDULE
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 90,000	\$ 90,000	\$ 91,393	\$ 1,393
Investment income	3,000	3,000	3,234	234
TOTAL REVENUES	<u>93,000</u>	<u>93,000</u>	<u>94,627</u>	<u>1,627</u>
 EXPENDITURES				
Current:				
Public works	13,800	13,800	17,371	(3,571)
Capital outlay	70,000	70,000	16,442	53,558
TOTAL EXPENDITURES	<u>83,800</u>	<u>83,800</u>	<u>33,813</u>	<u>49,987</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 9,200	 9,200	 60,814	 <u>\$ 51,614</u>
 FUND BALANCES - BEGINNING OF YEAR	 <u>370,725</u>	 <u>370,725</u>	 <u>370,725</u>	
 FUND BALANCES - END OF YEAR	 <u>\$ 379,925</u>	 <u>\$ 379,925</u>	 <u>\$ 431,539</u>	

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Ellisville, Missouri's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF ELLISVILLE, MISSOURI

NET ASSETS BY COMPONENT
LAST EIGHT FISCAL YEARS

	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:								
Invested in capital assets, net of related debt	\$ 25,991,549	\$ 25,999,283	\$ 25,889,334	\$ 25,682,531	\$ 24,200,338	\$ 19,537,229	\$ 18,338,971	\$ 16,856,205
Restricted	4,018,748	3,233,607	2,600,742	2,056,922	2,797,476	3,444,182	3,809,358	2,727,967
Unrestricted	2,426,265	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>\$ 32,436,562</u>	<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

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

	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES								
Governmental activities:								
Administrative	\$1,452,871	\$1,452,050	\$1,672,481	\$1,475,231	\$1,504,078	\$1,384,388	\$1,396,491	\$1,493,145
Municipal court	361,614	360,569	120,699	109,134	97,918	93,833	93,314	91,993
Recreation (A)	911,687	875,619	694,965	593,714	408,250	475,690	514,962	474,736
Planning, inspection and engineering	1,733,042	1,626,248	1,663,289	1,903,246	1,689,965	1,892,249	1,488,086	2,394,414
Police	1,968,803	2,008,510	2,053,207	2,066,573	1,965,877	1,911,544	1,752,891	1,743,406
Public works	1,768,150	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	234,668	254,943	272,480	290,899	253,700	116,985	117,734	127,240
Total governmental activities expenses	<u>8,430,835</u>	<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	517,205	474,151	537,475	563,175	543,015	552,687	554,612	607,200
Recreation (A)	307,531	270,766	266,453	251,938	71,470	68,527	290,813	113,640
Planning, inspection and engineering	101,942	59,353	77,807	122,786	187,550	84,526	82,070	61,090
Police	736,223	816,718	730,128	357,575	283,001	288,043	229,796	221,107
Public works	-	91,032	90,312	89,175	88,704	87,124	-	-
Operating grants and contributions	279,696	647,294	625,207	673,953	845,859	619,846	455,910	452,928
Capital grants and contributions	-	-	349,433	-	1,997,467	-	-	-
Total governmental activities program revenue	<u>1,942,597</u>	<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>6,488,238</u>	<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	734,161	383,436	363,131	377,155	380,112	297,862	631,132	641,919
Sales	4,612,205	4,314,488	4,278,282	4,374,654	4,316,623	4,026,819	3,866,699	3,972,780
Utility	1,660,527	1,661,236	1,996,304	1,869,047	1,707,754	1,443,989	1,447,585	1,416,940
Franchise	110,642	70,676	-	-	-	-	-	165,522
Other	495,130	139,188	-	-	-	-	-	-
Investment income	45,806	63,617	42,476	270,007	488,334	361,130	129,510	37,735
Miscellaneous	57,541	14,714	12,381	11,002	176,931	27,503	223,354	-
Contributed capital	-	-	-	-	-	-	179,747	-
Total governmental activities	<u>7,716,012</u>	<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>\$1,227,774</u>	<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

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 EIGHT FISCAL YEARS

	2011 (1)	2010	2009	2008	2007	2006	2005	2004
General Fund:								
Non-spendable	\$ 81,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted/Reserved	-	87,162	98,527	98,530	85,136	76,432	71,384	-
Unassigned/Unreserved	2,182,216	1,641,289	1,573,965	1,125,314	1,360,969	1,306,023	879,271	980,867
Total General Fund	<u>\$ 2,263,774</u>	<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:								
Restricted/Reserved	\$ 4,040,008	\$ 800,042	\$ 799,910	\$ 841,332	\$ 4,784,649	\$ 2,774,004	\$ 2,745,911	\$ 2,727,967
Committed	270,169	-	-	-	-	-	-	-
Assigned	10,786	-	-	-	-	-	-	-
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>\$ 4,320,963</u>	<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>

(1) Implemented GASB 54 in 2011

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

	2011	2010	2009	2008	2007	2006	2005	2004
Revenues								
Taxes	\$7,542,614	\$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	599,781	517,430	596,330	664,268	707,932	618,023	610,349	658,646
Fines and court costs	732,973	813,618	543,260	346,398	277,561	281,521	226,496	211,100
Intergovernmental	-	-	-	190,300	-	-	-	-
Investment income	45,806	63,617	42,476	270,007	488,334	361,130	129,510	165,522
Charges for services	421,540	380,972	289,255	94,637	248,253	91,867	320,446	133,291
Miscellaneous	337,237	19,178	32,521	42,385	240,147	27,503	290,867	100,399
Total revenues	9,679,951	8,987,789	8,847,618	8,955,179	9,031,724	7,923,950	7,867,251	7,699,892
Expenditures								
Current:								
Administrative	1,434,525	1,445,800	1,477,599	1,475,520	1,354,971	1,385,494	1,386,915	1,473,376
Police	1,849,771	1,954,238	1,980,273	1,956,612	1,904,592	1,813,624	1,688,192	1,702,001
Public works	1,446,202	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	698,448	595,115	746,442	848,666	781,833	768,187	636,302	639,469
Municipal court	361,614	360,569	119,426	109,134	97,897	92,622	91,860	90,709
Recreation (A)	583,698	581,045	626,750	895,342	485,944	411,675	455,834	410,678
Capital outlay	1,128,478	1,196,714	720,944	6,971,969	5,953,989	2,478,410	2,613,391	2,701,814
Debt service:								
Principal	585,000	560,000	540,000	716,286	313,108	302,408	296,746	286,118
Interest	229,128	249,258	267,190	288,912	233,849	117,952	117,734	127,240
Bond issuance costs	-	-	-	-	93,537	-	-	-
Total expenditures	8,316,864	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	1,363,087	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	110,000	425,000	50,000	911,801	1,402,116	827,571	496,001	46,123
Transfers out	(110,000)	(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	\$1,363,087	\$742,777	\$978,037	\$(5,587,690)	\$1,371,326	\$(587,748)	\$(450,841)	\$(746,027)
Debt service as a percentage of noncapital expenditures	12.4%	12.6%	11.2%	15.3%	10.6%	6.7%	7.3%	7.2%

Sources: Basic Financial Statements

(A) In fiscal year ended 2009 the Park and Pool Departments were merged and renamed the Recreation Department.

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

	2011	2010	2009	2008	2007	2006	2005	2004
FUNCTIONS/PROGRAMS								
Governmental activities:								
General government	\$ 517,205	\$ 474,151	\$ 537,475	\$ 563,175	\$ 546,577	\$ 552,687	\$ 554,612	\$ 607,200
Recreation (A)	307,531	270,766	266,453	251,938	71,470	68,527	290,813	113,640
Planning, inspection and engineering	101,942	59,353	409,105	122,786	273,060	84,526	82,070	61,090
Police	736,223	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	\$ 1,662,901	\$ 1,712,020	\$ 2,676,815	\$ 2,058,602	\$ 4,017,066	\$ 1,700,753	\$ 1,413,201	\$ 1,455,965

(A) In fiscal year ended 2009 the Park and Pool Departments were merged and renamed the Recreation Department.

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

Fiscal Year	Property (1)	Sales and Use (2)	Franchise and Public Service	Total
2011	\$ 846,896	\$ 4,884,831	\$ 1,902,280	\$ 7,542,614
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

- 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 EIGHT FISCAL YEARS

Fiscal Year	General 1% (1)	Cigarette	State Motor Fuel	Stormwater 1/2%	Capital		Total
					Infrastructure 1/2% (3)	Local Option 1/4% (2)	
2011	\$ 2,348,911	\$ 25,540	\$ 247,086	\$ 1,402,817	\$ 256,151	\$ 604,326	\$ 4,884,831
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

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 redistribution percentage.

3) This sales tax was approved by the voters in Ellisville for capital infrastructure improvements effective October 2011.

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
					Assessed Value	Estimated Actual Value	
2011	\$ 235,888,690	\$ 29,775,229	\$ 2,766,152	\$ 268,430,071	\$ 1,143,123,349	\$ 0.15	
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	

(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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
City of Ellisville	0.1500	0.1500	0.1500	0.1500	0.150	0.150	0.150	0.150	0.150	0.150
Overlapping governments:										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.030	0.030	0.030	0.030	0.030	0.030
County General	0.2000	0.2000	0.1900	0.1900	0.190	0.190	0.190	0.255	0.190	0.190
County Hospital/Health	0.1400	0.1400	0.1500	0.1500	0.150	0.165	0.165	0.175	0.165	0.165
County Park Maintenance	0.0500	0.0500	0.0500	0.0500	0.050	0.035	0.035	0.045	0.035	0.035
County Bond Retirement	0.0280	0.0280	0.0280	0.0630	0.063	0.063	0.063	0.085	0.085	0.085
County Road and Bridge	0.1050	0.1050	0.1050	0.1050	0.105	0.105	0.105	0.105	0.105	0.105
St. Louis Community College	0.2200	0.2179	0.2136	0.2013	0.200	0.223	0.223	0.237	0.231	0.232
Special School District	1.0125	0.9950	0.9384	0.9184	0.908	0.824	0.840	0.905	0.833	0.849
Metro Zoo Park and Museum	0.2671	0.2546	0.2493	0.2344	0.233	0.261	0.265	0.276	0.226	0.222
Sheltered Workshop	0.0840	0.0790	0.0740	0.0690	0.070	0.082	0.085	0.085	0.085	0.085
St. Louis County Library	0.1630	0.1565	0.1400	0.1400	0.140	0.150	0.150	0.150	0.140	0.140
Rockwood School District	4.4630	4.2752	4.0083	3.9232	3.999	4.418	4.507	4.633	4.271	4.439
Metro West Fire Protection District	1.0300	1.0120	0.9770	0.8210	0.836	0.977	1.045	1.066	1.067	0.997
Metro Sewer District-Extension	0.0185	0.0180	0.0000	0.0000	0.017	0.019	0.019	0.019	0.019	0.019
Meramec River Basin Sewer District	0.0000	0.0000	0.0000	0.0000	0.070	0.070	0.070	0.070	0.070	0.070
Total Overlapping Governments	7.8111	7.5612	7.1536	6.8953	7.0611	7.6113	7.7920	8.1360	7.5520	7.6630

(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	2011			2002		
	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	\$ 5,367,980	1	2.00 %	\$ 4,415,790	2	2.21 %
Bradfore Hills Associated L.P.	3,365,250	2	1.25	2,302,370	5	1.15
Cooper Bussmann, Inc.	3,173,700	3	1.18	2,990,090	3	1.49
Fountains of Ellisville LLC	2,960,000	4	1.10			
Passive Investors, Inc.	2,573,350	5	0.96	1,563,230	7	0.78
Centro Bradley Spe 3 LLC	2,578,240	6	0.96			
Beuckman Family, LLC	2,545,570	7	0.95	1,173,410	10	0.59
Home Depot USA, Inc.	2,387,420	8	0.89			
Lifetime Fitness	2,327,620	9	0.87			
Kohls Department Stores	2,166,920	10	0.81			
Family Guardian Life Insurance Co. AmerenUE				5,158,530	1	2.58
Bradley Operating LTD, Prnsp.				2,522,758	4	1.26
York Amusement Co., Inc.				2,017,110	6	1.01
Nooney Real Property, Inc.				1,236,160	8	0.62
				1,183,990	9	0.59
Totals	\$29,446,050		10.97 %	\$24,563,438		12.28 %

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>
2011	\$ 357,983	\$ 300,041	83.8 %	\$ 56,298	\$ 356,339	99.5 %
2010	369,396	307,132	83.1	62,264	369,396	100.0
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

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

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

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

Governmental Activities

Fiscal Year	Notes Payable	Certificates of Participation	General Obligation Bonds	Total Governmental Activities	Percentage of Personal Income (1)	Per Capita
2011	\$ -	\$4,970,000	\$ -	\$4,970,000	1.60 %	\$ 544
2010	-	5,555,000	-	5,555,000	1.80	608
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

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	\$ 26,085,000	1.20%	\$ 313,020
Rockwood School District	241,715,000	8.34%	20,159,031
Metro West Fire Protection District	<u>5,445,000</u>	15.41%	<u>839,075</u>
	<u>273,245,000</u>		<u>21,311,126</u>
City direct bonded debt	<u>-</u>	100.00%	<u>-</u>
	<u><u>\$ 273,245,000</u></u>		<u><u>\$ 21,311,126</u></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

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Debt limit	\$26,851,311	\$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
Net debt applicable to limit	-	-	-	-	-	-	-	-	-	475,000
Legal Debt Margin	<u>\$26,851,311</u>	<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>
Total Net Debt										
Applicable To										
The Limit As										
A Percentage										
Of Debt Limit	-	-	-	-	-	-	-	-	-	2.37

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>
2011	9,133	43.70	\$ 307,599,440	33,680	7.3 %
2010	9,133	43.70	307,599,440	33,680	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

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>2011</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>
Achievia Tutoring of MO	355	1	5.2 %			N/A
Cooper Bussman	280	2	4.1	680	2	N/A
LifeTime Fitness	265	3	3.9			N/A
Rockwood School District	218	4	3.2			N/A
Bethesda Meadow	194	5	2.9	175	5	N/A
Bommarito Automotive	156	6	2.3	175	5	N/A
St. John Lutheran Church	152	7	2.2			N/A
Dierbergs Markets	150	8	2.2	225	3	N/A
Royal Gate Automotive	143	9	2.1			N/A
The Home Depot #3018	133	10	2.0			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>2,046</u>		<u>30.30 %</u>	<u>3,276</u>		<u>N/A</u>

* The closest information available to 2002 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 business license applications.

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

<u>Employer</u>	<u>2011</u>			<u>2009</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>
Retail product sales	1,388	1	20.4 %	1,190	1	21.1 %
Restaurants and bars	1,057	2	15.5	1,067	2	19.0
Service businesses	905	3	13.3	754	4	13.4
Automotive industry	697	4	10.2	776	3	13.8
Medical/dental and related	558	5	8.2	736	5	13.1
Government	438	6	6.4	364	7	6.5
Religious institutions, related schools, charities, and nonprofits	326	7	4.8	291	9	5.2
Manufacturing	312	8	4.6	369	6	6.6
Construction/contracting	271	9	4.0	306	8	5.4
Professional and consulting services	248	10	3.6	239	10	4.2
Banking and financial services	166	11	2.4	168	12	3.0
Computers, software and related businesses	85	12	1.2	78	13	1.4
Veterinary and pet care	72	13	1.1	64	14	1.1
Real estate	36	14	0.5	205	11	3.6
All others	248		3.6	213		3.8
	<u>6,807</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	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
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	5.5	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	22.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	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	1.5	2.0	1.0	1.0	1.0
Street maintenance	16.0	16.0	18.0	18.0	18.0	18.0	18.0	17.0	17.0	14.0
Planning	2.0	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	3.5	3.0	6.5	6.5	6.5
Municipal court	3.0	3.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Pool/park activities	16.0	16.0	19.0	14.0	14.0	14.0	30.0	28.5	29.0	29.0
Park	3.0	3.0	3.0	2.5	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	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Police-patrol:										
Arrests	380	375	220	215	174	210	185	195	170	N/A
Traffic citations	3250	3239	2800	2800	2838	2588	2950	2938	1879	N/A
Crime reports	50	44	40	40	39	77	69	71	N/A	N/A
Accident reports	282	289	303	350	351	371	400	436	399	N/A
DWI arrests	43	41	20	25	20	31	36	36	N/A	N/A
Public works:										
Road repair-tons of mix-STR	47	40	42	40	45	50	50	50	45	N/A
Linear feet of storm pipe cleared	74	70	70	60	60	60	70	70	60	N/A
Traffic control signs serviced	148	140	145	150	155	150	140	145	150	N/A
Leaves collected-cubic yards	1300	1300	1200	1100	1300	1100	1000	1050	1100	N/A
Weed violations issued-HW	200	200	200	42	35	52	65	19	23	N/A
Acres moved and maintained-P	128	131	143	200	200	200	200	200	200	N/A
Trees and shrubs planted-P	45/50	45/52	40/50	45/88	50/80	40/51	4/5	7/9	4/5	N/A
Planning and building:										
Site development-PL	4	5	6	7	8	8	7	N/A	N/A	N/A
Rezoning applications-PL	5	2	6	5	6	4	7	4	3	N/A
Text amendments-PL	3	9	15	5	3	3	4	N/A	N/A	N/A
Building permits issued-BI	55	47	20	165	168	187	326	180	236	N/A
Finance and administration:										
Merchant licenses issued-F	591	598	606	638	636	595	564	568	516	481
Payroll checks issued-F	1900	2050	2115	2024	1986	1952	2,035	2,049	2,086	N/A
Accounts payable processed-F	1844	2100	2075	2210	2156	2427	2,307	2,510	2,803	N/A
Requests for public records-LE	33	16	53	53	47	52	52	N/A	N/A	N/A

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

Function/Program	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
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	83	82	80	77	77	N/A	N/A
Street lights and signals	453	453	453	453	448	440	440	440	N/A	N/A
Parks and recreation:										
Number of parks	11	11	11	11	11	11	11	11	10	10
Acres of parks	231	231	231	231	231	231	231	231	200	200
Number of multi-use trails	5	5	5	5	5	5	5	5	5	2
Miles of multi-use trails	9	9	9	9	9	9	9	9	9	6