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1-1-2007

## Comprehensive Annual Financial Report, 2006

City of Ellisville

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**SUSAN MONTEE, CPA**  
**Missouri State Auditor**

June 28, 2007

City Clerk  
City of Ellisville  
St. Louis County  
#1 Weis Avenue  
Ellisville, MO 63011

Fiscal Period: One Year Ended December 31, 2006 ✓

Dear City Clerk:

In accordance with Section 105.145, RSMo, we acknowledge receipt of the financial report of your political subdivision for the above-described fiscal period.

Thank you for your cooperation in sending this information.

Sincerely,

SUSAN MONTEE, CPA  
STATE AUDITOR

A handwritten signature in cursive script that reads "Judy Buerky".

Judy Buerky  
Local Government Analyst

**CITY OF ELLISVILLE  
MISSOURI**

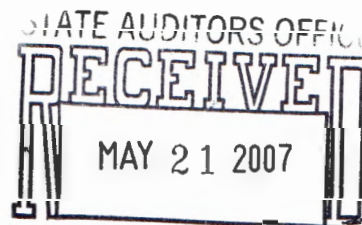
**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED DECEMBER 31, 2006**

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



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**CITY OF ELLISVILLE,  
MISSOURI**

**FINANCIAL REPORT  
(Audited)**

Year Ended December 31, 2006

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**CITY OF ELLISVILLE, MISSOURI**  
**FINANCIAL REPORT**

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**CITY OF ELLISVILLE, MISSOURI**  
**FINANCIAL REPORT**

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***CITY OF ELLISVILLE, MISSOURI***

PRINCIPAL CITY OFFICIALS

DECEMBER 31, 2006

**MAYOR**

Matt Pirrello

**CITY COUNCIL MEMBERS**

Jerome Knapp, District I

Clark Compton, District I

Richard Lacaille, District II

Pamela Cook, District II and Mayor Pro Tempore

Ray Buente, District III

Charles Pavlack, 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**

Lori Helle, Director of Finance

Assistant City Manager--vacant

Michele Frankowski, Director of Parks and Recreation

Ada Hood, Director of Planning

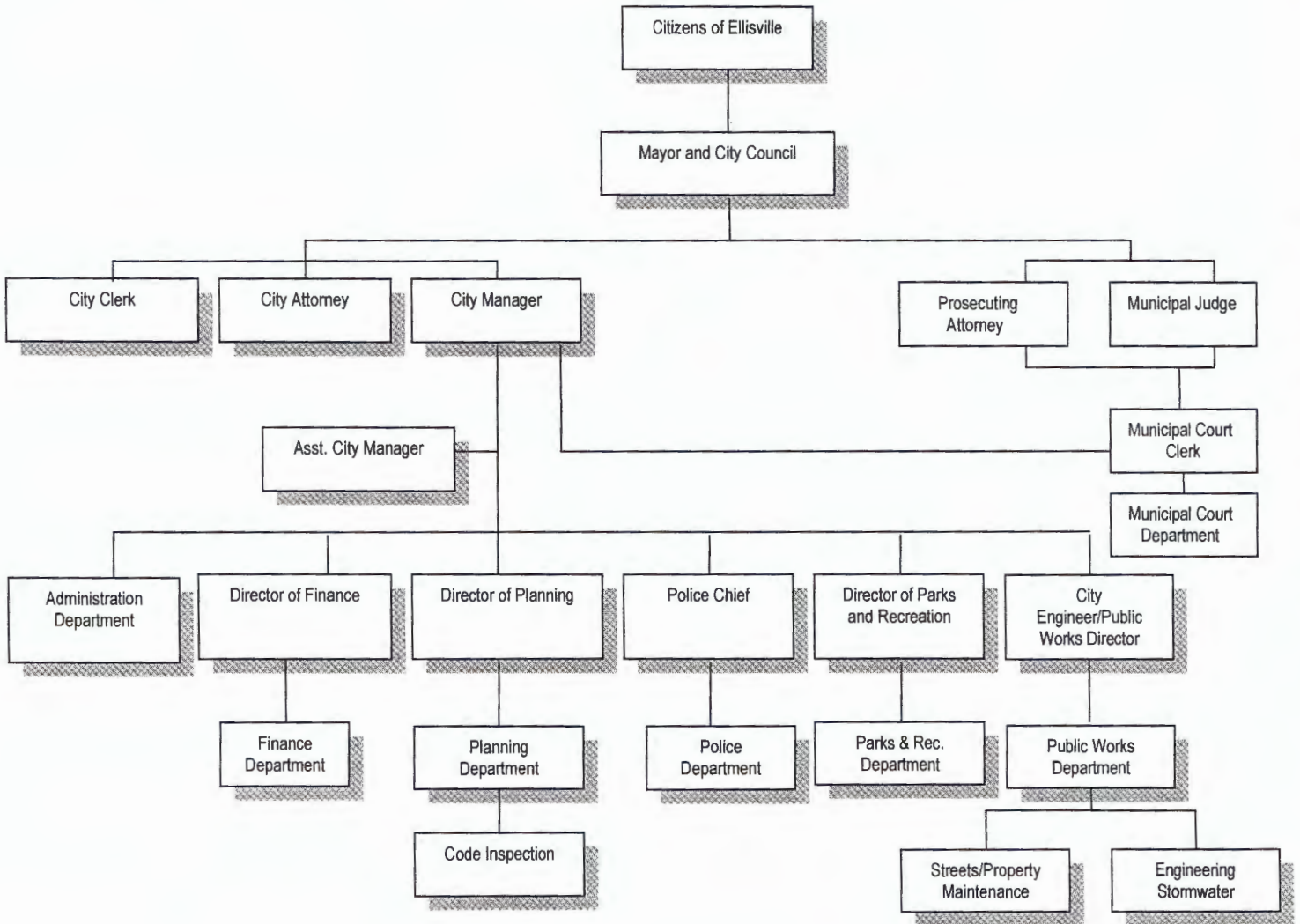
Tom Felgate, Chief of Police

Denah Brooks, Municipal Court Clerk

Bill Schwer, City Engineer/Director of Public Works



# City of Ellisville 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, 2005

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



President

Executive Director

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The City of  
*Ellisville Missouri*

**75<sup>TH</sup> ANNIVERSARY**  
1932 ~ 2007

May 10, 2007

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

The Comprehensive Annual Financial Report of the City of Ellisville, Missouri (the City) for the fiscal year ended December 31, 2006 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 accounts 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.

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 is located approximately 13 miles west of the western city limit of St. Louis and 7 miles west of I-270. There are two state highways that bisect the City: Highway 100 (Manchester Road) and Highway 340 (Clarkson Road). Despite the lack of significant growth in St. Louis County over the past ten years, the Ellisville area has been considered a part of the "growth corridor" of west St. Louis County. The 2000 census states the Ellisville population as 9,104. Based upon this figure, the City had a 46% increase in growth since 1980 (population 6,223) and 26% population growth since



1990. Open areas that have been zoned for residential use provide space for further growth in the Ellisville population, though that space is rapidly disappearing.

The City is located in western St. Louis County, Missouri. The City 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.

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; construction, maintenance, and repair of infrastructure (roadways, sidewalks, stormwater systems, snow removal, etc.); street lights; and solid waste collection and disposal. The City offers a system of 231.17 acres of parks, including tennis courts, playgrounds, sports fields, and multi-purpose trails. The City has a ratio of one acre of parkland for nearly every 40 residents. In addition, a wide range of recreational programming is provided. These programs are sponsored by the City and through coordinated efforts with surrounding municipalities, school districts, and other recreation providers.

## **FACTORS AFFECTING FINANCIAL CONDITION**

**Local Economy.** The City has enjoyed commercial growth as a result of the improved traffic way and an increase in the number of residents in the West County area. There were 624 business licenses issued for the July 1, 2006 to June 30, 2007 business license year. As the City has become more "built out", development has slowed in recent years. There is still a limited amount of space along the primary corridors for commercial growth. The Ellisville Business Park has great potential in offering additional business growth, goods and services, and sales tax revenues. Commercial development can produce the additional revenues necessary to address resident concerns, such as infrastructure needs and quality services. The City strives to create a balance among land uses through strong zoning controls, and has zoned the City in such a manner as to avoid the negative externalities of commercial and industrial districts from encroaching into the residential neighborhoods.

While the economic environment and public expenditure policies are subject to both change and re-evaluation, the City is expected to experience manageable growth that will not be adverse to the current financial position of the City. Adverse to the City, however, is state legislation enacted in 1993 that produced countywide revenue reform. Revenue reform first took effect in 1994 and requires that the City pay increasing portions of its sales tax receipts into a countywide pool for redistribution to cities that exhibit lower per capita sales tax revenues than does the City. In effect, cities with large commercial bases such as the City tend to support cities that are largely residential in nature. The net result has hurt the City financially.



**Long-Term Goals.** The City's goals for the next five years are: (1) Continue to ensure that all City ordinances and other municipal activity are consistent with the master plan, supported by residents, and predictable by developers, (2) Construct new city hall and public works buildings, (3) Complete at least fifty percent of the planned stormwater and street initiatives by 2006, (4) Implement annexation within the St. Louis Boundary Commission guidelines, (5) Improve traffic safety using strict enforcement and other means to lessen speeding and lower the number of accidents. In addition to these five, the City has an ongoing commitment to enhance communications with its constituencies, improve its image, and strengthen its administration.

**Long-Term Financial Planning.** Each year the City updates its five-year capital improvement plan. Projects totaling over \$21 million are planned for the years 2007 - 2010. Over \$8.3 million of this is for stormwater improvements which is made possible through the ½ cent stormwater sales tax. The rest of the improvements come from the gasoline and motor vehicle tax, grants, cigarette tax, as well as money the City has in reserves.

**Cash Management Policies and Practices.** Cash temporarily idle during the fiscal year was invested in obligations of the United States treasury and government agency securities, state and county-pooled funds, certificates of deposit, and money market accounts. The City earned interest revenue in the amount of \$361,130 for the year ended December 31, 2006.

The City's investment policy is to minimize credit and market risks using the "prudent investor" rule. The notes to the basic financial statements elaborate on the credit risks of investments held by the City.

**Risk Management.** It is the policy of the City to eliminate or transfer risk where possible. The City has established an employee-based Safety Committee that meets on a monthly basis. The Safety Committee is responsible for ensuring that City employees are aware of their responsibilities relating to loss, exposure, and injury and to identify and remedy liability issues in an effort to avoid future losses which might otherwise occur.

The City is a member of a public entity risk pool comprised of various municipalities in St. Louis County, Missouri. This pool covers workers' compensation and liability exposures (St. Louis Area Insurance Trust - SLAIT). The purpose of this pool is to share the cost of self-insurance with other similar cities. The Daniel and Henry Company provides claims administration for the trust. Additional information on the City's risk management activity can be found in Note I of the notes to the basic financial statements.

Additionally, risk control techniques have been implemented to reduce possible losses to property owned by or under the control of the City. The City has property insurance, which includes earthquake coverage. Contractors are required to carry certain amounts of insurance.

**Debt Administration.** In 2002 the City paid off the remaining \$930,000 of its general obligation bonds (series 1993) outstanding. However, on December 23, 2003, the City issued the \$3.5 million Certificates of Participation, Series 2003. This issue will be used to fund the construction of a new Public Works facility and part of the Park Administration building.

## SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

During 2006, the City experienced many significant events or accomplishments that may not be evident from a review of the financial statements. Some of the more important events/accomplishments are as follows:

The Government Finance Officer's 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, 2006. This is the 11<sup>th</sup> 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.

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2005. This is the 14<sup>th</sup> 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 whose contents conform to program standards. Such reports must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate is valid for a period of one year only. We believe our current report continues to conform to the Certificate Program requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

The City completed its 11<sup>th</sup> year of the 21-Year Storm Water Improvement Program. This program is funded through a ½ cent sales tax, approved by City voters in November 1995. This program is designed to bring all storm water facilities up-to-date by installing storm water infrastructure where none exists and upgrading inadequate systems. The program includes the installation or upgrading of major trunk lines and facilities serving smaller neighborhood systems.

Construction work began on numerous storm water projects, as well as completion of several projects whose construction timelines transgressed fiscal years. Storm water projects completed in 2006 included Parkdale Circle, Peggy Lee Court, East and West Meadow, and North and South Irene Drive. Storm water projects for 2007 will include Macklin Drive, Quail Avenue, and Strecker Road.

The City continued its regular twice-per-year maintenance program for all park trails.

The City continued its \$28 per year sewer lateral fee that is to be used to fund an insurance program to repair broken sewer laterals.

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:

- Continued infrastructure improvements for the new Public Works facility
- Voters approved a ¼ cent general sales tax to be used for the Park and Recreation Department



- Completed several street and storm water improvements
- Over \$490,000 was expended on concrete street repairs
- Over \$148,000 worth of work was put into street sealing
- Over \$75,000 was expended on sidewalk repairs
- Over \$26,000 was expended on crack sealing
- 306 students participated in the DARE Program

## **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.

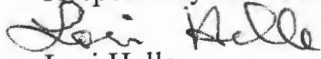
## **ACKNOWLEDGMENTS**

All staff contributed to this report in one way or another. The cooperation received was certainly appreciated. I realize the amount of time and effort expended by all participants to complete this document is tremendous. The work of all involved is greatly appreciated and truly necessary as we strive to continue the long tradition of excellence in financial reporting the City has come to expect.

I would also like to thank our auditors, Hochschild, Bloom & Company LLP, for their help in formulating this report.

My sincere gratitude is extended to the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Lori Helle

Director of Finance



**Hochschild, Bloom & Company LLP**  
Certified Public Accountants  
Consultants and Advisors

## INDEPENDENT AUDITORS' REPORT

May 10, 2007

Honorable Mayor and City Council  
**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** (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2006, and the respective changes in financial position, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055  
 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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In accordance with *Government Auditing Standards*, we have also issued a report dated May 10, 2007 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and required supplemental information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental information, as listed in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinions thereon.

*Hochschild, Bloom + Company, LLP*

**CERTIFIED PUBLIC ACCOUNTANTS**

**CITY OF ELLISVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

---

As management of the City of Ellisville (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2006. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iv through ix of this report.

**FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$24,330,348 (net assets). Of this amount, \$1,348,937 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$517,494. Revenues remained relatively constant, while expenditures showed significant increases mainly due to street projects.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,717,198, a decrease of \$587,748 in comparison with the prior year. Approximately 63% of this amount, \$4,866,762, is available for spending at the City's discretion (unreserved, undesignated fund balance).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$1,306,023 or 27% of total General Fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, municipal court,



**CITY OF ELLISVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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park, police, pool, public works, and planning, inspection, and engineering. The City does not have any business-type activities.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains eight individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statements of revenues, expenditures, and changes in fund balances for the General Fund, Storm Water Project Fund, Debt Proceeds Fund, Capital Infrastructure Fund, and the Parks Fund, all of which are considered to be major funds. Data from the other three funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all funds. Budgetary comparison statements are provided for these funds to demonstrate compliance with these budgets.

The basic governmental funds financial statements can be found on pages 12 through 15 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 16 and 17 of this report.



**CITY OF ELLISVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 30 of this report.

**Required supplemental information.** This Management's Discussion and Analysis and the General Fund and Storm Water Fund budgetary comparison schedules (starting on page 32) represent financial information required by GAAP to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

**Other supplemental information.** This part of the annual report (starting on page 36) includes optional financial information such as a budgetary comparison schedules for the Debt Proceeds Fund, Capital Infrastructure Fund, Parks Fund, Equipment Replacement Fund, Contingency Fund, and the Sewer Fund and combining statements for the nonmajor governmental funds. This other supplemental financial information is provided to address certain specific needs of various users of the City's annual report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$24,330,348 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets (80%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), 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.

A condensed version of the statement of net assets is as follows:

	<u>December 31</u>		<u>2006 Change</u>	
	<u>2006</u>	<u>2005</u>	<u>Amount</u>	<u>Percent</u>
<b>ASSETS</b>				
Current and other assets	\$ 7,966,936	8,611,243	(644,307)	(7.5%)
Capital assets	<u>19,617,619</u>	<u>18,749,862</u>	<u>867,757</u>	4.6
Total Assets	<u>27,584,555</u>	<u>27,361,105</u>	<u>223,450</u>	0.8
<b>LIABILITIES</b>				
Current and other liabilities	230,447	222,079	8,368	3.8
Long-term liabilities	<u>3,023,760</u>	<u>3,326,172</u>	<u>(302,412)</u>	(9.1)
Total Liabilities	<u>3,254,207</u>	<u>3,548,251</u>	<u>(294,044)</u>	(8.3)
<b>NET ASSETS</b>				
Invested in capital assets	19,537,229	18,338,971	1,198,258	6.5
Restricted	3,444,182	3,809,358	(365,176)	(9.6)
Unrestricted	<u>1,348,937</u>	<u>1,664,525</u>	<u>(315,588)</u>	(19.0)
Total Net Assets	<u>\$24,330,348</u>	<u>23,812,854</u>	<u>517,494</u>	2.2%

**CITY OF ELLISVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

An additional portion of the City's net assets, \$3,444,182 in 2006, represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by grantors, contributors, regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

**Governmental activities.** Governmental activities increased the City's net assets by \$517,494.

A condensed version of the statement of activities is as follows:

	<b>For The Years</b>		<b>2006 Change</b>	
	<b>Ended December 31</b>		<b>Amount</b>	<b>Percent</b>
	<b>2006</b>	<b>2005</b>		
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$1,080,907	1,157,291	(76,384)	(6.6%)
Operating grants and contributions	619,846	455,910	163,936	36.0
General revenues:				
Taxes	5,736,452	5,945,416	(208,964)	(3.5)
Intergovernmental	32,218	-	32,218	100.0
Investment income	361,130	129,510	231,620	178.8
Miscellaneous	27,503	223,354	(195,851)	(87.7)
Loss on disposal of capital assets	-	(236,353)	236,353	100.0
Contributed capital	-	<u>179,747</u>	<u>(179,747)</u>	(100.0)
Total Revenues	<u>7,858,056</u>	<u>7,854,875</u>	<u>3,181</u>	0.04
<b>EXPENSES</b>				
General government	1,384,388	1,396,491	(12,103)	(0.9)
Municipal court	93,833	93,314	519	0.6
Park	431,109	286,199	144,910	50.6
Planning, inspection, and engineering	1,892,249	1,488,086	404,163	27.2
Police	1,911,544	1,752,891	158,653	9.1
Pool	44,581	228,763	(184,182)	(80.5)
Public works	1,465,873	1,207,467	258,406	21.4
Interest on long-term debt	<u>116,985</u>	<u>117,734</u>	<u>(749)</u>	(0.6)
Total Expenses	<u>7,340,562</u>	<u>6,570,945</u>	<u>769,617</u>	11.7
<b>CHANGE IN NET ASSETS</b>	<u>\$ 517,494</u>	<u>1,283,930</u>	<u>(766,436)</u>	(59.7%)

In 2006, the City's total revenue on a government-wide basis was \$7,858,056, an increase of only \$3,181 as compared to 2005. Revenues are stagnant due to a sluggish economy and the pool being closed in 2006.



**CITY OF ELLISVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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While the total revenues only increased slightly from last year, total expenditures increased by \$769,617 from 2005. A lot of the increase in expenditures were attributable to an increase in storm water projects and an increase in park expenditures. As a result the change in net asset from 2005 to 2006 had decreased by \$766,436.

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

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,717,198, a decrease of \$587,748 in comparison with the prior year. Approximately 63% of this total amount (\$4,866,762) constitutes unreserved, undesignated fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$1,306,023, while total fund balance reached \$1,382,455. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 27% of total General Fund expenditures, while total fund balance represents 28% of that same amount. The fund balance of the City's General Fund increased by \$290,484 during the current fiscal year.

Changes in fund balances for other major governmental funds can be described as follows:

- The Storm Water Fund decreased by \$96,075 from the fund balance from last year. This decrease was a result of an increase in storm water projects during 2006.
- Capital Infrastructure Fund decreased by \$163,548. This decrease was a result of more capital outlay expenditures in 2006.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there were immaterial transfers between various accounts in appropriations between the original and final amended budget.

Revenues were \$61,403 over the budgeted amount of \$5,242,695, and expenditures were \$227,744 below the budgeted amount of \$5,081,130.

**CITY OF ELLISVILLE, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**CAPITAL ASSETS**

At the end of the fiscal year 2006, the City had \$19,617,619 (net of accumulated depreciation) invested in a broad range of capital assets, including police and public works equipment, buildings, park facilities, and roads. This amount represents a net increase (including additions and deductions) of \$867,757 or 4.6% over the prior fiscal year. \$815,240 or a 6% increase for the current fiscal year was due to street improvements.

Capital asset balances (net of accumulated depreciation) are as follows:

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
Capital assets:		
Land and construction in progress	\$ 2,230,555	2,145,029
Buildings and improvements	2,497,502	2,578,334
Vehicles and equipment	781,818	733,995
Infrastructure	<u>14,107,744</u>	<u>13,292,504</u>
Total	<u>\$19,617,619</u>	<u>18,749,862</u>

More information on capital asset activity during the year is provided in the notes to financial statements in Note C.

**LONG-TERM DEBT**

At year-end the City had \$2,854,394 in outstanding debt compared to \$3,156,802 at the end of the prior fiscal year, a decrease of 9.6%.

The City's governmental activities debt is detailed as follows:

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
Certificates of participation	\$2,650,000	2,940,000
Note payable	<u>204,394</u>	<u>216,802</u>
	<u>\$2,854,394</u>	<u>3,156,802</u>

In April 2007 the City issued \$4,830,000 of certificates of participation for the construction of an aquatic facility.

More information is provided in the notes to financial statements in Note F.



**CITY OF ELLISVILLE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City has seen its revenues flatten over the past few years, but the 2007 budget will have a slight increase from 2006. However, the expenditures are increasing at a much higher rate than the revenues. Which will continue to reduce the City's unreserved fund balance. The lack of growth in revenue sources is a major factor affecting the 2007 budget and will continue to affect the future budgets, unless something is done to increase the revenue sources.

No City services were cut in the 2007 budget. The budget consists, again, of a very aggressive capital improvement schedule for storm water and streets. Preparation of the 2007 budget was influenced by general economic pressures including sluggish assessed valuation and base sales tax growth. 2007 will be a very lean, but stable year. Below is a look at the fund balances of the major funds for the 2007 budget:

- General Fund will begin with \$1,219,886 and will end with \$863,370, which is the required amount to be left in reserve.
- Capital Infrastructure Fund will remain the same \$350,000, which is also the required amount.
- Storm Water Fund will begin with \$2,969,087, but will end with \$1,185,622 due to concrete street/storm water replacement being added to the Storm Water Fund from the Capital Infrastructure Fund, and due to the storm water construction of the new Public Works Facility being taken from this Storm Water Fund.
- Debt Proceeds Fund will begin 2007 with \$2,713,911, but will end with \$33,911 due to the Public Works Facility being close to completion by the end of 2007.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents and taxpayers with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any question about this report or need additional financial information, please contact Lori Helle, the Finance Director, at One Weis Avenue, Ellisville, MO 63011.

**CITY OF ELLISVILLE, MISSOURI**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2006**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 6,563,783
Receivables (net of allowances for uncollectibles):	
Taxes	931,828
Intergovernmental	167,512
Court fines	13,830
Other	213,551
Prepaid insurance	76,432
Capital assets:	
Land and other nondepreciable assets	2,230,555
Other capital assets, net of accumulated depreciation	17,387,064
Total Assets	27,584,555
<b>LIABILITIES</b>	
Accounts payable	83,614
Accrued interest payable	7,444
Accrued wages	60,250
Court bonds payable	9,150
Other liabilities	12,308
Due to Fiduciary Fund	57,681
Noncurrent liabilities:	
Due within one year	473,108
Due in more than one year	2,550,652
Total Liabilities	3,254,207
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	19,537,229
Restricted for:	
Storm water	2,909,267
Capital projects	351,377
Sewer	183,538
Unrestricted	1,348,937
Total Net Assets	\$ 24,330,348

See notes to financial statements

**CITY OF ELLISVILLE, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

		Program Revenues		Net Revenues (Expenses) And Change In Net Assets
	Expenses	Charges For Services	Operating Grants And Contributions	Governmental Activities
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental Activities</b>				
General government	\$ 1,384,388	552,687	-	(831,701)
Municipal court	93,833	-	-	(93,833)
Park	431,109	68,527	-	(362,582)
Planning, inspection, and engineering	1,892,249	84,526	-	(1,807,723)
Police	1,911,544	288,043	-	(1,623,501)
Pool	44,581	-	-	(44,581)
Public works	1,465,873	87,124	619,846	(758,903)
Interest on long-term debt	116,985	-	-	(116,985)
Total Governmental Activities	\$ 7,340,562	1,080,907	619,846	(5,639,809)
<b>General Revenues</b>				
Taxes:				
Property				297,862
Sales				3,994,601
Utility				1,443,989
Intergovernmental				32,218
Investment income				361,130
Miscellaneous				27,503
Total General Revenues				6,157,303
<b>CHANGE IN NET ASSETS</b>				517,494
NET ASSETS, JANUARY 1				23,812,854
NET ASSETS, DECEMBER 31				\$ 24,330,348

See notes to financial statements



**CITY OF ELLISVILLE, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**

	<u>General</u>	<u>Storm Water Project</u>	<u>Debt Proceeds</u>	<u>Capital Infrastructure</u>	<u>Parks</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>							
Cash and investments	\$ 528,263	2,613,149	2,774,004	186,720	-	461,647	6,563,783
Receivables (net of allowances for uncollectibles):							
Taxes	675,668	256,160	-	-	-	-	931,828
Intergovernmental	2,855	-	-	164,657	-	-	167,512
Court fines	13,830	-	-	-	-	-	13,830
Other	143,490	49,262	-	-	-	20,799	213,551
Prepaid items	76,432	-	-	-	-	-	76,432
Due from other funds	175,780	-	-	-	-	-	175,780
	<u>175,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,780</u>
Total Assets	<u>\$ 1,616,318</u>	<u>2,918,571</u>	<u>2,774,004</u>	<u>351,377</u>	<u>-</u>	<u>482,446</u>	<u>8,142,716</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 73,498	6,424	-	-	3,692	-	83,614
Accrued wages	54,491	2,880	-	-	2,879	-	60,250
Court bonds payable	9,150	-	-	-	-	-	9,150
Other liabilities	12,308	-	-	-	-	-	12,308
Due to other funds	57,681	-	-	-	175,780	-	233,461
Deferred revenue	26,735	-	-	-	-	-	26,735
	<u>233,863</u>	<u>9,304</u>	<u>-</u>	<u>-</u>	<u>182,351</u>	<u>-</u>	<u>425,518</u>
Total Liabilities	<u>233,863</u>	<u>9,304</u>	<u>-</u>	<u>-</u>	<u>182,351</u>	<u>-</u>	<u>425,518</u>
<b>Fund Balances (Deficit)</b>							
Reserved for:							
Capital projects	-	-	2,774,004	-	-	-	2,774,004
Prepaid items	76,432	-	-	-	-	-	76,432
Unreserved:							
General Fund	1,306,023	-	-	-	-	-	1,306,023
Capital Projects Fund	-	-	-	351,377	(182,351)	116,905	285,931
Special Revenue Funds	-	2,909,267	-	-	-	365,541	3,274,808
	<u>1,382,455</u>	<u>2,909,267</u>	<u>2,774,004</u>	<u>351,377</u>	<u>(182,351)</u>	<u>482,446</u>	<u>7,717,198</u>
Total Fund Balances (Deficit)	<u>1,382,455</u>	<u>2,909,267</u>	<u>2,774,004</u>	<u>351,377</u>	<u>(182,351)</u>	<u>482,446</u>	<u>7,717,198</u>
Total Liabilities And Fund Balances	<u>\$ 1,616,318</u>	<u>2,918,571</u>	<u>2,774,004</u>	<u>351,377</u>	<u>-</u>	<u>482,446</u>	<u>8,142,716</u>

See notes to financial statements

**CITY OF ELLISVILLE, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2006**

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Total Fund Balances - Governmental Funds	\$ 7,717,198
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$28,296,243 and the accumulated depreciation is \$8,678,624.	19,617,619
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred within the fund financial statements.	26,735
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued compensated absences	(169,366)
Accrued interest payable	(7,444)
Certificates of participation and notes payable	<u>(2,854,394)</u>
Total Net Assets Of Governmental Activities	<u>\$ 24,330,348</u>

**CITY OF ELLISVILLE, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES (DEFICIT) - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Storm Water Project</u>	<u>Debt Proceeds</u>	<u>Capital Infrastructure</u>	<u>Parks</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>							
Taxes	\$ 4,319,176	1,482,224	-	655,382	-	87,124	6,543,906
Licenses and permits	618,023	-	-	-	-	-	618,023
Fines and court costs	281,521	-	-	-	-	-	281,521
Investment income	37,835	134,488	113,619	41,214	4,233	29,741	361,130
Charges for services	23,340	-	-	-	68,527	-	91,867
Miscellaneous	24,203	-	-	-	-	3,300	27,503
Total Revenues	<u>5,304,098</u>	<u>1,616,712</u>	<u>113,619</u>	<u>696,596</u>	<u>72,760</u>	<u>120,165</u>	<u>7,923,950</u>
<b>EXPENDITURES</b>							
Current:							
Administrative	1,385,494	-	-	-	-	-	1,385,494
Police	1,813,624	-	-	-	-	-	1,813,624
Public works	1,134,465	-	-	-	-	6,861	1,141,326
Planning, inspection, and engineering	398,964	369,223	-	-	-	-	768,187
Municipal court	92,622	-	-	-	-	-	92,622
Park	-	-	-	-	367,094	-	367,094
Pool	-	-	-	-	44,581	-	44,581
Capital outlay	-	1,343,564	85,526	758,133	-	291,187	2,478,410
Debt service:							
Principal	12,408	-	-	290,000	-	-	302,408
Interest	15,809	-	-	102,143	-	-	117,952
Total Expenditures	<u>4,853,386</u>	<u>1,712,787</u>	<u>85,526</u>	<u>1,150,276</u>	<u>411,675</u>	<u>298,048</u>	<u>8,511,698</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>450,712</u>	<u>(96,075)</u>	<u>28,093</u>	<u>(453,680)</u>	<u>(338,915)</u>	<u>(177,883)</u>	<u>(587,748)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	290,132	6,685	530,754	827,571
Transfers out	(160,228)	-	-	-	-	(667,343)	(827,571)
Total Other Financing Sources (Uses)	<u>(160,228)</u>	<u>-</u>	<u>-</u>	<u>290,132</u>	<u>6,685</u>	<u>(136,589)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	290,484	(96,075)	28,093	(163,548)	(332,230)	(314,472)	(587,748)
FUND BALANCES, JANUARY 1	<u>1,091,971</u>	<u>3,005,342</u>	<u>2,745,911</u>	<u>514,925</u>	<u>149,879</u>	<u>796,918</u>	<u>8,304,946</u>
<b>FUND BALANCES (DEFICIT), DECEMBER 31</b>	<u>\$ 1,382,455</u>	<u>2,909,267</u>	<u>2,774,004</u>	<u>351,377</u>	<u>(182,351)</u>	<u>482,446</u>	<u>7,717,198</u>

See notes to financial statements



**CITY OF ELLISVILLE, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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Net Change In Fund Balances - Governmental Funds \$ (587,748)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold totaling (\$1,849,256) exceeded depreciation (\$822,062) in the current period. 1,027,194

The net effect of various miscellaneous transactions involving capital assets:  
Cost of disposals, net of accumulated depreciation (159,437)

Revenues in the statement of activities that do not provide current financial resources are not reported in the fund financial statements. (65,894)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds, however, it has no effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt:  
Principal payments on bonds and notes 302,408

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. The net changes of these items are:  
Accrued compensated absences 4  
Accrued interest on bonds 967

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Change In Net Assets Of Governmental Activities \$ 517,494



**CITY OF ELLISVILLE, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**DECEMBER 31, 2006**

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**CURRENT ASSETS**

Due from other funds

\$ 57,681

**NET ASSETS HELD IN TRUST FOR**

Health benefits

\$ 57,681

**CITY OF ELLISVILLE, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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**ADDITIONS**

Investment income	\$ 1,096
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DEDUCTIONS

-

**CHANGE IN NET ASSETS**

1,096

NET ASSETS HELD IN TRUST

JANUARY 1

56,585

**NET ASSETS HELD IN TRUST**

**DECEMBER 31**

\$ 57,681

**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - 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:

**1. Reporting Entity**

The financial statements of the City include the financial activities of the City and any component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. Based on these criteria, the City has determined that its financial reporting entity consists of the City (the primary government) and no other reporting units.

**2. Government-wide and Fund Financial Statements**

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

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

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



**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable, if any, due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

**General Fund** -- This is 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 Project Fund** -- The City uses this fund to account for sales tax revenue designated for storm water projects.

**Debt Proceeds Fund** -- The City uses this fund to account for unspent proceeds from the issuance of debt.

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



**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

**Parks Fund** -- The City uses this fund to account for park and recreational activities.

Additionally, the City reports the following fund type:

**Private-purpose Trust Fund** -- This fund is used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and other governmental units to pay health insurance premiums for City employees drawing on disability.

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.

**4. 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.

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

**5. Allowance for Doubtful Accounts**

Court fines are shown net of an allowance for uncollectibles of \$13,830.

**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. 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.

**7. Capital Assets**

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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 the asset's life is not capitalized.

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

<b>Asset</b>	<b>Years</b>
Building improvements	5 - 40
Equipment	5 - 10
Vehicles	8
Infrastructure	10 - 40

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.

**8. Compensated Absences**

Under terms of the City's personnel policy, employees are granted vacation time based on the 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 is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Sick leave is accumulated based upon length of service and is available only



**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**8. Compensated Absences (Continued)**

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.

**9. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discount, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, if any. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported and amortized over the term of the related debt, if any.

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.

**10. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance, if any, represent tentative management plans that are subject to change.

**11. Interfund Transactions**

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses) in the governmental fund types. All of these interfund balances are due to timing differences. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2007.

**12. Use of Estimates**

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



**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS**

**1. 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 and City policies 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 (FDIC).

As of December 31, 2006, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**2. Investments**

As of December 31, 2006, the City had the following investments:

<u>Investments</u>	<u>Fair Market Value</u>	<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>Credit Risk</u>
<b>Primary Government</b>					
Certificates of deposit	\$ 973,461	-	395,584	577,877	N/A
Repurchase agreement	287,808	-	287,808	-	N/A
Government securities:					
Federal agencies	2,943,051	-	1,141,108	1,801,943	AAA
Money market funds	<u>2,802,648</u>	<u>2,802,648</u>	<u>-</u>	<u>-</u>	Not rated
Total Primary Government Investments	<u>\$7,006,968</u>	<u>2,802,648</u>	<u>1,824,500</u>	<u>2,379,820</u>	

**Investments Policies**

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City minimizes investment risk by FDIC or fully collateralized with a market value equal to or exceeding 105% of the amount of deposit.

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

**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City minimizes concentration of credit risk by limiting that no more than 50% of the total investment portfolio be invested in a single security type or with a single financial institution.

**NOTE C - CAPITAL ASSETS**

Capital asset activity was as follows:

	<u>For The Year Ended December 31, 2006</u>			
	<u>December 31</u>			<u>December 31</u>
	<u>2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>2006</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 2,145,029	-	-	2,145,029
Construction in process	-	85,526	-	85,526
Total Capital Assets Not Being Depreciated	<u>2,145,029</u>	<u>85,526</u>	<u>-</u>	<u>2,230,555</u>
Capital assets being depreciated:				
Building and improvements	3,592,528	-	-	3,592,528
Vehicles and equipment	1,433,078	187,594	36,497	1,584,175
Infrastructure	19,703,849	1,576,136	391,000	20,888,985
Total Capital Assets Being Depreciated	<u>24,729,455</u>	<u>1,763,730</u>	<u>427,497</u>	<u>26,065,688</u>
Less - Accumulated depreciation for:				
Building and improvements	1,014,194	80,832	-	1,095,026
Vehicles and equipment	699,083	118,480	15,206	802,357
Infrastructure	6,411,345	622,750	252,854	6,781,241
Total Accumulated Depreciation	<u>8,124,622</u>	<u>822,062</u>	<u>268,060</u>	<u>8,678,624</u>
Total Capital Assets Being Depreciated, Net	<u>16,604,833</u>	<u>941,668</u>	<u>159,437</u>	<u>17,387,064</u>
Governmental Activities Capital Assets, Net	<u>\$18,749,862</u>	<u>1,027,194</u>	<u>159,437</u>	<u>19,617,619</u>

Beginning capital assets were adjusted \$179,747 for infrastructure assets.



**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS (Continued)**

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

	<b>For The Year Ended December 31 2006</b>
Governmental activities:	
General government	\$ 5,516
Public works	100,319
Police department	45,559
Planning, inspection, and engineering	636,351
Parks	<u>34,317</u>
	<u>\$822,062</u>

**NOTE D - INTERFUND BALANCES**

The due to and due from other funds consist of the following:

		<b>December 31 2006</b>
<b><u>Receivable Fund</u></b>	<b><u>Payable Fund</u></b>	
Fiduciary	General	\$ 57,681
General	Parks	<u>175,780</u>
		<u>\$233,461</u>

**NOTE E - INTERFUND TRANSACTIONS**

Individual interfund transactions are as follows:

	<b>Transfers In</b>				
	<b>Equipment Replacement</b>	<b>Contingency</b>	<b>Capital Infrastructure</b>	<b>Parks</b>	<b>Total</b>
Transfers out:					
General	\$ -	160,228	-	-	160,228
Contingency	252,825	-	290,132	6,685	549,642
Sewer	<u>-</u>	<u>117,701</u>	<u>-</u>	<u>-</u>	<u>117,701</u>
Total	<u>\$252,825</u>	<u>277,929</u>	<u>290,132</u>	<u>6,685</u>	<u>827,571</u>

Interfund transfers may be used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them and 2) use unrestricted revenues collected to finance expenditures in other funds in accordance with budgetary authorization.



**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE F - LONG-TERM DEBT**

A summary of changes are as follows:

	<u>For The Year Ended December 31, 2006</u>				<u>Amounts Due Within One Year</u>
	<u>Balance December 31 2005</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance December 31 2006</u>	
	Governmental activities:				
Certificates of participation	\$2,940,000	-	290,000	2,650,000	300,000
Note payable	216,802	-	12,408	204,394	13,108
Compensated absences	<u>169,370</u>	<u>159,833</u>	<u>159,837</u>	<u>169,366</u>	<u>160,000</u>
Total Long-Term Liabilities	<u>\$3,326,172</u>	<u>159,833</u>	<u>462,245</u>	<u>3,023,760</u>	<u>473,108</u>

Long-term debt includes the following:

	<u>December 31 2006</u>
\$2,940,000 series 2003 certificates of participation, principal due in annual installments through December 1, 2013; interest payable at 2.125% to 4%.	<u>\$2,650,000</u>
Note payable 2003 through June 2008, with interest rate at prime plus 1%, due in monthly installments of \$2,002, which include principal and interest based on a 15-year amortization.	<u>\$204,394</u>

Future long-term debt maturities are as follows:

<u>For The Years Ended December 31</u>	<u>Note Payable</u>		<u>Certificates Of Participation</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2007	\$ 13,108	10,914	300,000	89,325	413,347
2008	191,286	6,028	310,000	81,075	588,389
2009	-	-	315,000	72,550	387,550
2010	-	-	325,000	63,100	388,100
2011	-	-	340,000	52,538	392,538
2012 - 2013	<u>-</u>	<u>-</u>	<u>1,060,000</u>	<u>68,151</u>	<u>1,128,151</u>
	<u>\$204,394</u>	<u>16,942</u>	<u>2,650,000</u>	<u>426,739</u>	<u>3,298,075</u>

**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE G - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM**

**1. Plan Description**

The City 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 agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by State Statute, Section RSMo 70.600 - 70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under Internal Revenue Code Section 401a and it is tax exempt.

LAGERS 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, MO 65102 or by calling 1-800-447-4334.

**2. 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 5.6% (general) and 10.4% (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.

**3. Annual Pension Cost**

For 2006, the City's annual pension cost of \$187,486 was equal to the required and actual contributions. The required contribution was determined as part of the February 28/29, 2004 and 2005 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2006 included a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; b) projected salary increases of 4% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back no years for men and no years for women; and e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2006 was 15 years.



**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE G - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM**  
**(Continued)**

**3. Annual Pension Cost (Continued)**

**Trend Information**

<b>For The Fiscal Years Ended June 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage Of APC Contributed</b>	<b>Net Pension Obligation</b>
2006	\$187,486	100%	\$ -
2005	168,022	100	-
2004	165,420	100	-

**Schedule of Funding Progress**

<b>For The Actuarial Valuation Years Ended February 28/29</b>	<b>Actuarial Value Of Assets</b>	<b>Entry Age Actuarial Accrued Liability</b>	<b>Unfunded Liability (UAL)</b>
2006	\$4,354,134	\$3,919,850	(\$434,284)
2005	4,348,461	3,993,902	(354,559)
2004	4,230,719	3,780,597	(450,122)

<b>For The Actuarial Valuation Years Ended February 28/29</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>UAL As A Percentage Of Covered Payroll</b>
2006	111%	\$2,352,255	18%
2005	109	2,412,402	15
2004	112	2,107,673	21

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

**NOTE H - DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with the 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.



**NOTE I - RISK MANAGEMENT**

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

The City is a member of the St. Louis Area Insurance Trust (SLAIT), which is a not-for-profit, self-insurance risk pool formed by various St. Louis County municipalities to cover workers' compensation and general liability matters. The purpose of this trust is to distribute the cost of self-insurance over similar entities. In addition to insurance protection, the program provides risk management services with emphasis in loss control, claims administration, and management information services. SLAIT is fully funded by its member participants and employs an outside service company to process all claims.

The trust requires an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities or fund balances of the insurance trust. However, the City is contingently liable to fund its pro rata share if any deficit incurred by the trust should the trust cease operation at some future date.

The City also purchases commercial insurance to cover other risks. Settled claims from these risks have not exceeded coverage in any of the past three years.

**NOTE J - 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 financial statements. The aggregate principal maturities of outstanding bonds at December 31, 2006 were \$5,604,000.

**NOTE K - PROPERTY TAX**

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. The City does not tax personal property; however, road and bridge tax is assessed by the County and includes personal property. Taxes are levied on September 1 and payable by December 31. A lien is placed on the personal property on January 1 and is then subject to interest and penalties. The assessed value at January 1, 2006, upon which the 2006 levy was based on an assessed value for real, personal, and public utility property was \$236,791,029. The City does not include personal property when assessing the General Fund. The assessed value of personal property totaled \$35,834,840 as of January 1, 2006. The City's tax rate was levied at \$.15 and \$.105 per \$100 of assessed valuation for the General Fund and the road and bridge tax.

**CITY OF ELLISVILLE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE L - RESTRICTED NET ASSETS**

The government-wide statement of net assets reports \$3,444,182 of restricted net assets which is restricted by enabling legislation.

**NOTE M - COMMITMENTS AND CONTINGENCIES**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

At December 31, 2006, the City had entered into construction contracts in the amount of \$3,620,064 for construction of a new public works facility. The City also had an additional \$148,482 due on street repair contracts.

**NOTE N - SUBSEQUENT EVENT**

In April 2007 the City issued \$4,830,000 of certificates of participation for the construction of an aquatic facility.

**NOTE O - PRIOR PERIOD ADJUSTMENTS**

The previously stated net assets/fund balances have been adjusted as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Storm Water Project Fund</u>	<u>Parks Fund</u>
Net assets/fund balances, December 31, 2005, as previously reported	\$24,004,951	950,655	3,003,453	139,111
Restatement for:				
Capital assets	(179,747)	-	-	-
Compensated absences	(15,397)	141,316	1,889	10,768
Revenue accrual	11,458	-	-	-
Expense accrual	<u>(8,411)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Assets/Fund Balances, December 31, 2005, As Restated	 <u>\$23,812,854</u>	 <u>1,091,971</u>	 <u>3,005,342</u>	 <u>149,879</u>

**REQUIRED SUPPLEMENTAL  
INFORMATION SECTION**



**CITY OF ELLISVILLE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over</b>
	<b>Original</b>	<b>Final</b>		<b>(Under)</b>
				<b>Budget</b>
<b>REVENUES</b>				
Taxes	\$ 4,292,195	4,292,195	4,319,176	26,981
Licenses and permits	628,840	628,840	618,023	(10,817)
Fines and court costs	232,890	232,890	281,521	48,631
Investment income	23,230	23,230	37,835	14,605
Charges for services	33,250	33,250	23,340	(9,910)
Miscellaneous	32,290	32,290	24,203	(8,087)
Total Revenues	<u>5,242,695</u>	<u>5,242,695</u>	<u>5,304,098</u>	<u>61,403</u>
<b>EXPENDITURES</b>				
Current:				
Administrative	1,463,890	1,460,900	1,385,494	(75,406)
Police	1,818,595	1,818,595	1,813,624	(4,971)
Public works	1,213,290	1,213,290	1,134,465	(78,825)
Planning, inspection, and engineering	450,255	450,255	398,964	(51,291)
Municipal court	109,870	109,870	92,622	(17,248)
Debt service:				
Principal	12,408	12,408	12,408	-
Interest	12,822	15,812	15,809	(3)
Total Expenditures	<u>5,081,130</u>	<u>5,081,130</u>	<u>4,853,386</u>	<u>(227,744)</u>
<b>REVENUES OVER EXPENDI- TURES</b>	161,565	161,565	450,712	289,147
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(160,228)</u>	<u>(160,228)</u>	<u>(160,228)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 1,337</u>	<u>1,337</u>	290,484	<u>289,147</u>
FUND BALANCE, JANUARY 1			<u>1,091,971</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 1,382,455</u>	

**CITY OF ELLISVILLE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - STORM WATER PROJECT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 1,480,550	1,480,550	1,482,224	1,674
Investment income	88,730	88,730	134,488	45,758
Total Revenues	1,569,280	1,569,280	1,616,712	47,432
<b>EXPENDITURES</b>				
Current:				
Planning, inspection, and engineering	373,540	369,950	369,223	(727)
Capital outlay	1,603,445	1,607,035	1,343,564	(263,471)
Total Expenditures	1,976,985	1,976,985	1,712,787	(264,198)
<b>NET CHANGE IN FUND</b>				
<b>BALANCE</b>	<b>\$ (407,705)</b>	<b>(407,705)</b>	<b>(96,075)</b>	<b>311,630</b>
FUND BALANCE, JANUARY 1			3,005,342	
FUND BALANCE, DECEMBER 31			\$ 2,909,267	



**CITY OF ELLISVILLE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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**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. 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 pro-rated 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 an 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 unexpected appropriations balances lapse and may be reappropriated in the next budget period.

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



**OTHER SUPPLEMENTAL INFORMATION SECTION**

**CITY OF ELLISVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**

	<b>Capital Projects Fund Equipment Replacement</b>	<b>Special Revenue Funds Contingency</b>	<b>Sewer</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and investments	\$ 113,450	182,003	166,194	461,647
Receivables (net of allowances for uncollectibles):				
Other	3,455	-	17,344	20,799
Total Assets	\$ 116,905	182,003	183,538	482,446
 <b>FUND BALANCES</b>				
Unreserved:				
Capital Projects Fund	\$ 116,905	-	-	116,905
Special Revenue Funds	-	182,003	183,538	365,541
Total Fund Balances	\$ 116,905	182,003	183,538	482,446

**CITY OF ELLISVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Capital Projects Fund</b>	<b>Special Revenue Funds</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Equipment Replacement</b>	<b>Contingency</b>	<b>Sewer</b>	
<b>REVENUES</b>				
Taxes	\$ -	-	87,124	87,124
Investment income	7,366	11,391	10,984	29,741
Miscellaneous	3,300	-	-	3,300
Total Revenues	<u>10,666</u>	<u>11,391</u>	<u>98,108</u>	<u>120,165</u>
<b>EXPENDITURES</b>				
Current:				
Public works	-	-	6,861	6,861
Capital outlay	245,735	-	45,452	291,187
Total Expenditures	<u>245,735</u>	<u>-</u>	<u>52,313</u>	<u>298,048</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(235,069)</u>	<u>11,391</u>	<u>45,795</u>	<u>(177,883)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	252,825	277,929	-	530,754
Transfers out	-	(549,642)	(117,701)	(667,343)
Total Other Financ- ing Sources (Uses)	<u>252,825</u>	<u>(271,713)</u>	<u>(117,701)</u>	<u>(136,589)</u>
<b>NET CHANGE IN FUND BALANCES</b>				
	17,756	(260,322)	(71,906)	(314,472)
FUND BALANCES, JANUARY 1	<u>99,149</u>	<u>442,325</u>	<u>255,444</u>	<u>796,918</u>
<b>FUND BALANCES, DECEM- BER 31</b>	<u>\$ 116,905</u>	<u>182,003</u>	<u>183,538</u>	<u>482,446</u>



**CITY OF ELLISVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - DEBT PROCEEDS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>REVENUES</b>			
Investment income	\$ 30,000	113,619	83,619
<b>EXPENDITURES</b>			
Capital outlay	<u>1,000,000</u>	<u>85,526</u>	<u>(914,474)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (970,000)</u>	28,093	<u>998,093</u>
<b>FUND BALANCE, JANUARY 1</b>		<u>2,745,911</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u>\$ 2,774,004</u>	

**CITY OF ELLISVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - CAPITAL INFRASTRUCTURE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes	\$ 638,890	655,382	16,492
Investment income	31,300	41,214	9,914
Total Revenues	670,190	696,596	26,406
<b>EXPENDITURES</b>			
Capital outlay	867,560	758,133	(109,427)
Debt service:			
Principal	290,000	290,000	-
Interest	100,925	102,143	1,218
Total Expenditures	1,258,485	1,150,276	(108,209)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(588,295)	(453,680)	134,615
<b>OTHER FINANCING SOURCES</b>			
Transfers in	290,132	290,132	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (298,163)</b>	<b>(163,548)</b>	<b>134,615</b>
FUND BALANCE, JANUARY 1		514,925	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 351,377</b>	

**CITY OF ELLISVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL - PARKS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Investment income	\$ 6,770	4,233	(2,537)
Charges for services	220,150	68,527	(151,623)
Total Revenues	226,920	72,760	(154,160)
<b>EXPENDITURES</b>			
Current:			
Park	415,200	367,094	(48,106)
Pool	139,945	44,581	(95,364)
Total Expenditures	555,145	411,675	(143,470)
<b>REVENUES UNDER EXPENDITURES</b>	(328,225)	(338,915)	(10,690)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	6,685	6,685	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (321,540)</b>	<b>(332,230)</b>	<b>(10,690)</b>
FUND BALANCE, JANUARY 1		149,879	
<b>DEFICIT, DECEMBER 31</b>		<b>\$ (182,351)</b>	



**CITY OF ELLISVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - EQUIPMENT REPLACEMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Investment income	\$ 2,850	7,366	4,516
Miscellaneous	100,000	3,300	(96,700)
Total Revenues	102,850	10,666	(92,184)
 <b>EXPENDITURES</b>			
Capital outlay	464,010	245,735	(218,275)
 <b>REVENUES UNDER EXPENDITURES</b>	(361,160)	(235,069)	126,091
 <b>OTHER FINANCING SOURCES</b>			
Transfers in	252,825	252,825	-
 <b>NET CHANGE IN FUND BALANCE</b>	\$ (108,335)	17,756	126,091
 FUND BALANCE, JANUARY 1		99,149	
 FUND BALANCE, DECEMBER 31		\$ 116,905	

**CITY OF ELLISVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - CONTINGENCY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Investment income	\$ 14,140	11,391	(2,749)
<b>EXPENDITURES</b>	-	-	-
<b>REVENUES OVER EXPENDITURES</b>	14,140	11,391	(2,749)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	160,228	277,929	117,701
Transfers out	(549,642)	(549,642)	-
Total Other Financing Sources (Uses)	(389,414)	(271,713)	117,701
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (375,274)</b>	<b>(260,322)</b>	<b>114,952</b>
<b>FUND BALANCE, JANUARY 1</b>		442,325	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 182,003</b>	

**CITY OF ELLISVILLE, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL - SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes	\$ 81,400	87,124	5,724
Investment income	5,850	10,984	5,134
Total Revenues	87,250	98,108	10,858
<b>EXPENDITURES</b>			
Current:			
Public works	7,000	6,861	(139)
Capital outlay	65,000	45,452	(19,548)
Total Expenditures	72,000	52,313	(19,687)
<b>REVENUES OVER EXPENDITURES</b>	15,250	45,795	30,545
<b>OTHER FINANCING USES</b>			
Transfers out	-	(117,701)	(117,701)
<b>NET CHANGE IN FUND BALANCE</b>	\$ 15,250	(71,906)	(87,156)
FUND BALANCE, JANUARY 1		255,444	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 183,538</b>	



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# CITY OF ELLISVILLE, MISSOURI

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## STATISTICAL

This part of the City'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 City's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	45
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source.	50
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	55
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	58
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	60

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 THREE FISCAL YEARS**

	<b>December 31</b>		
	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Governmental Activities</b>			
Invested in capital assets, net of related debt	\$ 19,537,229	18,338,971	16,856,205
Restricted	3,444,182	3,809,358	2,727,967
Unrestricted	1,348,937	1,664,525	3,136,848
 Total Governmental Activities Net Assets	 <u>\$ 24,330,348</u>	 <u>23,812,854</u>	 <u>22,721,020</u>

Source: Basic Financial Statements

GASB 34 was implemented in 2004.



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

	<b>For The Years Ended December 31</b>		
	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>EXPENSES</b>			
Governmental activities:			
General government	\$ 1,384,388	1,396,491	1,493,145
Municipal court	93,833	93,314	91,993
Park	431,109	286,199	369,436
Planning, inspection, and engineering	1,892,249	1,488,086	2,394,414
Police	1,911,544	1,752,891	1,743,406
Pool	44,581	228,763	105,300
Public works	1,465,873	1,207,467	1,147,282
Interest on long-term debt	116,985	117,734	127,240
Total Expenses	7,340,562	6,570,945	7,472,216
<b>PROGRAM REVENUES</b>			
Governmental activities:			
Charges for services:			
General government	552,687	554,612	607,200
Park	68,527	207,899	56,476
Planning, inspection, and engineering	84,526	82,070	61,090
Police	288,043	229,796	221,107
Pool	-	82,914	57,164
Public works	87,124	-	-
Operating grants and contributions	619,846	455,910	452,928
Total Program Revenues	1,700,753	1,613,201	1,455,965
<b>NET REVENUES (EXPENSES)</b>			
Governmental activities	(5,639,809)	(4,957,744)	(6,016,251)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>			
Governmental activities:			
Taxes:			
Property	297,862	631,132	641,919
Sales	3,994,601	3,866,699	3,972,780
Utility	1,443,989	1,447,585	1,416,940
Intergovernmental	32,218	-	-
Investment income	361,130	129,510	165,522
Miscellaneous	27,503	223,354	37,735
Loss on the disposal of capital assets	-	(236,353)	-
Contributed capital	-	179,747	-
Total General Revenues And Other Changes In Net Assets	6,157,303	6,241,674	6,234,896
<b>CHANGES IN NET ASSETS</b>			
Governmental activities	\$ 517,494	1,283,930	218,645

Source: Basic Financial Statements

GASB 34 was implemented in 2004.

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

	<b>For The Years Ended December 31</b>		
	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>General Fund</b>			
Reserved	\$ 76,432	71,384	-
Unreserved	<u>1,306,023</u>	<u>879,271</u>	<u>980,867</u>
Total General Fund	<u>\$ 1,382,455</u>	<u>950,655</u>	<u>980,867</u>
 <b>All Other Governmental Funds</b>			
Reserved	\$ 2,774,004	2,745,911	2,727,967
Unreserved, reported in:			
Capital Projects Fund	285,931	617,074	861,877
Special Revenue Funds	<u>3,274,808</u>	<u>3,840,333</u>	<u>4,031,102</u>
Total All Other Governmental Funds	<u>\$ 6,334,743</u>	<u>7,203,318</u>	<u>7,620,946</u>

Source: Basic Financial Statements

GASB 34 was implemented in 2004.

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

	<b>For The Years Ended December 31</b>		
	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>REVENUES</b>			
Taxes	\$ 6,543,906	6,289,583	6,430,934
Licenses and permits	618,023	610,349	658,646
Fines and court costs	281,521	226,496	211,100
Investment income	361,130	129,510	165,522
Charges for service	91,867	320,446	133,291
Miscellaneous	27,503	290,867	100,399
Total Revenues	<u>7,923,950</u>	<u>7,867,251</u>	<u>7,699,892</u>
<b>EXPENDITURES</b>			
Current:			
Administrative	1,385,494	1,386,915	1,473,376
Police	1,813,624	1,688,192	1,702,001
Public works	1,141,326	1,031,118	1,014,514
Planning, inspection, and engineering	768,187	636,302	639,469
Municipal court	92,622	91,860	90,709
Park	367,094	236,791	305,378
Pool	44,581	219,043	105,300
Capital outlay	2,478,410	2,613,391	2,701,814
Debt service:			
Principal	302,408	296,746	286,118
Interest	117,952	117,734	127,240
Total Expenditures	<u>8,511,698</u>	<u>8,318,092</u>	<u>8,445,919</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(587,748)</u>	<u>(450,841)</u>	<u>(746,027)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	827,571	496,001	46,123
Transfers out	<u>(827,571)</u>	<u>(496,001)</u>	<u>(46,123)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (587,748)</u>	<u>(450,841)</u>	<u>(746,027)</u>
 Debt service as a percentage of noncapital expenditures	 7.0 %	 7.3	 7.2

Sources: Basic Financial Statements



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

	<b>For The Years Ended December 31</b>		
	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Functions/Programs</b>			
Governmental activities:			
General government	\$ 552,687	554,612	607,200
Park	68,527	207,899	56,476
Planning, inspection, and engineering	84,526	82,070	61,090
Police	288,043	229,796	221,107
Pool	-	82,914	57,164
Public works	706,970	455,910	452,928
Total Governmental Activities	\$ 1,700,753	1,613,201	1,455,965

GASB 34 was implemented in 2004.

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

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<u>Fiscal Year</u>	<u>Property</u>	<u>Sales And Use</u>	<u>Franchise And Public Service</u>	<u>Sewer Lateral</u>	<u>Total</u>
2006	\$ 600,264	\$ 4,412,529	\$ 1,443,989	\$ 87,124	\$ 6,543,906
2005	483,128	4,273,242	1,457,586	85,627	6,299,583
2004	527,100	4,390,516	1,416,940	96,378	6,430,934

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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Railroads And Utilities</b>	<b>Total</b>	
				<b>Assessed Value</b>	<b>Estimated Actual Value</b>
2006	\$ 198,123,360	\$ 35,834,840	\$ 2,832,829	\$ 236,791,029	\$ 1,002,754,312
2005	203,957,520	34,341,800	2,947,932	241,247,252	1,012,829,628
2004	176,653,520	32,215,030	2,838,221	211,706,771	889,135,874
2003	170,901,840	33,440,433	3,079,094	207,421,367	865,842,322
2002	162,949,980	34,089,458	3,166,064	200,205,502	826,868,710
2001	158,065,820	33,864,190	3,488,916	195,418,926	808,137,925
2000	139,910,630	34,542,785	3,310,848	177,764,263	727,839,219
1999	138,567,640	31,258,655	3,251,289	173,077,584	712,530,829
1998	121,604,690	28,405,305	3,813,428	153,823,423	629,631,639
1997	117,066,370	27,300,306	3,860,941	148,227,617	606,625,511

(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)**  
**LAST TEN FISCAL YEARS**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
City of Ellisville	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.250
Overlapping Governments:										
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
County General	0.190	0.190	0.255	0.190	0.190	0.190	0.190	0.190	0.190	0.190
County Health/Hospital	0.165	0.165	0.175	0.165	0.165	0.170	0.170	0.170	0.170	0.170
County Park Maintenance	0.035	0.035	0.045	0.035	0.035	0.040	0.040	0.040	0.040	0.040
County Bond Retirement	0.063	0.063	0.085	0.085	0.085	0.090	0.090	0.090	0.090	0.090
County Road and Bridge	0.105	0.105	0.105	0.105	0.105	0.110	0.110	0.110	0.110	0.110
St. Louis Community College	0.223	0.223	0.237	0.231	0.232	0.230	0.240	0.240	0.240	0.240
Special School District	0.824	0.840	0.905	0.833	0.849	0.840	0.620	0.620	0.640	0.630
Metro Zoo Park and Museum	0.261	0.265	0.276	0.226	0.222	0.220	0.230	0.230	0.230	0.230
Sheltered Workshop	0.082	0.085	0.085	0.085	0.085	0.090	0.090	0.090	0.090	0.090
St. Louis County Library	0.150	0.150	0.150	0.140	0.140	0.140	0.140	0.140	0.140	0.140
Rockwood School District	4.418	4.507	4.633	4.271	4.439	4.420	4.530	4.480	4.520	4.490
Metro West Fire Protection District	0.977	1.045	1.066	1.067	0.997	0.970	1.020	1.030	1.030	1.030
Metro Sewer District Extension	0.019	0.019	0.019	0.019	0.019	0.020	0.020	0.020	0.020	0.020
Meramec River Basin Sewer District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070

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

**CITY OF ELLISVILLE, MISSOURI**  
**PRINCIPAL TAXPAYERS (1)**  
**CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	<u>2006</u>			<u>1997</u>		
	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage Of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Valuation</u>	<u>Rank</u>	<u>Percentage Of Total City Taxable Assessed Value</u>
Clarkson Clayton Center Associates	\$ 4,827,000	1	2.04 %	\$ 3,095,250	2	2.58 %
Cooper Bussmann, Inc.	4,718,430	2	1.99	-		-
AmerenUE	3,273,948	3	1.38	-		-
Home Depot USA, Inc.	2,855,680	4	1.21	-		-
Centrum Clarkson LLC	2,720,830	5	1.15	-		-
Bradford Hills Associates LP	2,567,010	6	1.08	2,113,790	4	1.76
Bradley Operating Ltd. Partnership	2,127,770	7	0.90	-		-
Passive Investors, Inc.	1,728,000	8	0.73	1,412,980	5	1.18
Frank Bommarito	1,498,430	9	0.63	923,370	10	0.85
York Amusement Co., Inc.	1,407,610	10	0.59	1,183,680	6	0.99
Family Guardian Life Insurance Co.	-		-	4,823,150	1	4.03
McGraw Edison Company	-		-	2,178,850	3	1.82
Nooney Real Property, Inc.	-		-	1,045,790	7	0.87
Beuckman Family LLC	-		-	997,950	8	0.83
Industrial Development Authority of Ellisville	-		-	978,680	9	0.82
	<u>\$ 27,724,708</u>		<u>11.70 %</u>	<u>\$ 18,753,490</u>		<u>15.73 %</u>

(1) Source: St. Louis County Assessor

**CITY OF ELLISVILLE, MISSOURI**  
**PROPERTY TAX LEVIES AND COLLECTIONS (1)**  
**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>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes As Percent Of Levy</u>
2006	\$ 300,686	\$ 290,712	96.7 %	\$ 44,245	\$ 334,957	111.4 %	\$ 14,550	4.8 %
2005	309,582	258,535	83.5	6,839	265,374	85.7	48,043	15.5
2004	268,474	257,702	96.0	43,049	300,751	112.0	13,243	4.9
2003	260,276	220,709	84.8	12,613	233,322	89.6	N/A	N/A
2002	248,425	235,812	94.9	11,174	246,986	99.4	N/A	N/A
2001	241,499	230,382	95.4	9,389	239,771	99.3	N/A	N/A
2000	214,054	207,362	96.9	17,258	224,620	104.9	N/A	N/A
1999	211,945	193,958	91.5	12,960	206,918	97.6	N/A	N/A
1998	186,497	174,730	93.7	20,055	194,785	104.4	N/A	N/A
1997	299,445	283,032	94.5	17,417	300,449	100.3	N/A	N/A

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

(2) Originally adjusted for strike offs and additions by St. Louis Board of Equalization after 1978.



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

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Total Primary Government</b>	<b>Percentage Of Personal Income (1)</b>	<b>Per Capital</b>
	<b>Note Payable</b>	<b>Certificates Of Participation</b>	<b>General Obligation Bonds</b>			
2006	\$ 204,394	\$ 2,650,000	\$ -	\$ 2,854,394	1.15 %	\$ 314
2005	216,802	2,940,000	-	3,156,802	1.27	347
2004	228,548	3,225,000	-	3,453,548	1.39	379
2003	239,666	3,500,000	-	3,739,666	1.50	411
2002	-	-	475,000	475,000	0.19	52
2001	-	-	930,000	930,000	0.37	102
2000	-	-	1,360,000	1,360,000	0.55	149
1999	-	-	1,770,000	1,770,000	-	194
1998	-	-	2,165,000	2,165,000	-	238
1997	-	-	2,540,000	2,540,000	-	279

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

(1) See Demographics and Economic Statistics Table

**CITY OF ELLISVILLE, MISSOURI**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**DECEMBER 31, 2006**

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
St. Louis County	\$ 88,615,000	1.09 %	\$ 965,904
Rockwood School District	170,104,733	8.29	14,101,682
	<u>258,719,733</u>		<u>15,067,586</u>
City direct debt	<u>-</u>	100.00 %	<u>-</u>
Total Direct And Overlapping Debt	<u>\$ 258,719,733</u>		<u>\$ 15,067,586</u>

Source: Information was obtained by contacting the Taxing Jurisdiction and the St. Louis County Collector's office. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

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

	Fiscal Years									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Debt limit	\$ 23,679,103	24,124,725	21,170,677	20,742,137	20,020,550	19,541,893	17,725,421	17,307,758	15,382,342	14,822,762
Net debt applica- able to limit	-	-	-	-	475,000	930,000	1,360,000	1,770,000	2,165,000	2,540,000
Legal Debt Margin	<u>\$ 23,679,103</u>	<u>24,124,725</u>	<u>21,170,677</u>	<u>20,742,137</u>	<u>19,545,550</u>	<u>18,611,893</u>	<u>16,365,421</u>	<u>15,537,758</u>	<u>13,217,342</u>	<u>12,282,762</u>
 Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	- %	-	-	-	2.37	4.76	7.67	10.23	14.07	17.14

Note: Bonded indebtedness is limited by 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**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Median Age (1)</u>	<u>Personal Income (1)</u>	<u>Per Capita Income (1)</u>	<u>Unemployment Rate (2)</u>
2006	9,104	38.80	\$ 249,258,416	\$ 27,379	
2005	9,104	38.80	249,258,416	27,379	4.4
2004	9,104	38.80	249,258,416	27,379	4.7
2003	9,104	38.80	249,258,416	27,379	4.5
2002	9,104	38.80	249,258,416	27,379	4.1
2001	9,104	38.80	249,258,416	27,379	3.2
2000	9,104	38.80	249,258,416	27,379	2.3
1999	8,200	34.70	144,008,400	17,562	2.4
1998	8,200	34.70	144,008,400	17,562	2.8
1997	8,200	34.70	144,008,400	17,562	N/A

(1) Source: 2000 and 1990 U.S. Bureau of Census

(2) Source: Missouri Department of Economic Development

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

<u>Employer</u>	<u>2006</u>			<u>1997</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment*</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent Of Total City Employment*</u>
Cooper Bussman	850	1	N/A	680	2	N/A
First Community Credit Union	200	2	N/A	-	-	N/A
Dierbergs Markets	200	3	N/A	225	4	N/A
Royal Gate Dodge Inc.	184	4	N/A	-	-	N/A
Home Depot	168	5	N/A	-	-	N/A
Bethesda Meadow	160	6	N/A	175	3	N/A
Frank Bommarito Suzuki	151	7	N/A	-	-	N/A
Kmart	110	8	N/A	151	7	N/A
Bommarito Infiniti	100	9	N/A	175	5	N/A
Moore-Cadillac-Pontiac	100	10	N/A	220	6	N/A
Ellisville Elementary School	100	11	N/A	-	-	N/A
Armstrong Ventures, Inc.	100	12	N/A	-	-	N/A
Beuckman Ford, Inc.	100	13	N/A	99	8	N/A
Baumann Property Co.	100	14	N/A	-	-	N/A
Citicorp Mortgage, Inc.	-	-	N/A	1,350	1	N/A
Shop-N-Save	-	-	N/A	116	9	N/A
Ellisville Health Care	-	-	N/A	85	10	N/A

Source: St. Louis County Planning Department

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

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

	December 31									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>Functions/Programs</b>										
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	6.0	6.0	6.0	6.0	6.0	6.0	5.0	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	23.5	23.5	23.5	23.5	27.5	27.5	23.0	20.0	20.0	21.0
Civilians	1.5	1.5	1.5	1.5	1.5	1.5	6.0	1.5	1.5	2.5
Public works:										
Administration	1.5	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Street maintenance	18.0	18.0	17.0	17.0	14.0	14.0	14.0	14.0	14.0	14.0
Planning	4.0	4.0	-	-	-	-	-	-	-	-
Engineering and storm water	3.5	3.0	7.5	6.5	6.5	7.5	7.5	7.5	7.5	7.5
Municipal court	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Pool/park activities	17.0	30.0	28.5	29.0	29.0	26.0	25.0	25.0	25.0	25.0
Park	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0

(1) Source: Annual Budget Document



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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>Functions/Programs</b>										
Police-patrol:										
Arrests	230	171	195	170	N/A	N/A	N/A	N/A	N/A	N/A
Traffic citations	3,240	2,427	2,938	1,879	N/A	N/A	N/A	N/A	N/A	N/A
Crime reports	69	69	71	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Accident reports	513	476	436	399	N/A	N/A	N/A	N/A	N/A	N/A
DWI Arrests	27	26	36	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public works:										
Road repair-tons of mix-STR	50	50	50	45	N/A	N/A	N/A	N/A	N/A	N/A
Linear feet of storm pipe cleared	60	70	70	60	N/A	N/A	N/A	N/A	N/A	N/A
Traffic control signs serviced	150	140	145	150	N/A	N/A	N/A	N/A	N/A	N/A
Leaves collected-cubic yards	1,100	1,000	1,050	1,100	N/A	N/A	N/A	N/A	N/A	N/A
Weed violations issued-HW	52	65	19	23	N/A	N/A	N/A	N/A	N/A	N/A
Acres mowed and maintained-P	200	200	200	200	N/A	N/A	N/A	N/A	N/A	N/A
Trees and shrubs planted-P	40 trees/51	40/50	35/45	40/50	N/A	N/A	N/A	N/A	N/A	N/A
Planning and building:										
Site development-PL	8	7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rezoning applications-PL	4	7	4	3	N/A	N/A	N/A	N/A	N/A	N/A
Text amendments-PL	3	4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Building permits issued-BI	187	326	180	236	N/A	N/A	N/A	N/A	N/A	N/A
Building inspections completed-BI	120	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Finance and administration:										
Merchant licenses issued-F	595	564	568	516	481	N/A	N/A	N/A	N/A	N/A
Payroll checks issued-F	1,952	2,035	2,049	2,086	N/A	N/A	N/A	N/A	N/A	N/A
Accounts payable processed-F	2,427	2,307	2,510	2,803	N/A	N/A	N/A	N/A	N/A	N/A
Requests for public records-LEG	52	52	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<b>Functions/Programs</b>										
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	80	77	77	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Street lights and signals	440	440	440	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks and recreation:										
Number of parks	11	11	11	10	10	10	10	10	10	10
Acres of parks	231	231	231	200	200	198	198	198	198	198
Number of multi-use trails	5	5	5	5	2	2	2	2	2	2
Miles of multi-use trails	9	9	9	9	6	6	6	6	6	6

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**Hochschild, Bloom & Company LLP**

Certified Public Accountants  
Consultants and Advisors

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

May 10, 2007

Honorable Mayor and City Council  
**CITY OF ELLISVILLE, MISSOURI**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF ELLISVILLE, MISSOURI** (the City) as of and for the year ended December 31, 2006, and have issued our report thereon dated May 10, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City in a separate letter dated May 10, 2007.

This report is intended solely for the information and use of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hochschild, Bloom & Company LLP*

**CERTIFIED PUBLIC ACCOUNTANTS**