

***CITY OF LADUE, MISSOURI***

***FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2014***

# ***CITY OF LADUE, MISSOURI***

## **CONTENTS**

	<b>PAGE</b>
<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	<b>4</b>
<b>GENERAL PURPOSE FINANCIAL STATEMENTS:</b>	
Statement Of Net Position	12
Statement Of Activities	13
Balance Sheet - Governmental Funds	14
Reconciliation Of The Statement Of Net Position Of Governmental Funds To The Balance Sheet	15
Combined Statement Of Revenues, Expenditures And Changes In Fund Balances - All Governmental Fund Types	16
Reconciliation Of The Statement Of Revenues, Expenditures And Changes In Fund Balances Of Governmental Funds To The Statement Of Activities	17
Statement Of Fiduciary Net Position - Fiduciary Funds	18
Statement Of Changes In Fiduciary Net Position - Fiduciary Funds	19
Notes To Financial Statements	20
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule Of Changes In Net Pension Liability And Related Ratios: Non-Uniformed Plan	38
Uniformed Plan	39
Schedules Of Employer Contributions	40
Schedules Of Funding Progress	41
Budgetary Comparison Schedule - General Fund	42
Budgetary Comparison Schedule - Road And Bridge Fund	43
Budgetary Comparison Schedule - Capital Improvements Fund	44
Budgetary Comparison Schedule - Storm Water Projects Fund	45
<b>SUPPLEMENTAL INFORMATION:</b>	
Schedule Of General Fund Expenditures By Function - Last Ten Fiscal Years	46
Schedule Of General Fund Revenues By Source - Last Ten Fiscal Years	47
Schedule Of Property Tax Levies And Collections - Last Ten Fiscal Years	48
Miscellaneous Statistical Data	49

## INDEPENDENT AUDITORS' REPORT



The Honorable Mayor and Members of the Board of Aldermen  
**CITY OF LADUE, MISSOURI**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ladue, Missouri, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Ladue, Missouri, as of December 31, 2014, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions, schedule of funding progress and budgetary comparison information on pages 3 through 11 and 38 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Ladue, Missouri's basic financial statements. The supplemental information on pages 46 through 49 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated May 8, 2015, on our consideration of the City of Ladue's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Ladue's internal control over financial reporting and compliance.

*Botz Deal & Company*  
May 8, 2015

**CITY OF LADUE, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2014**

The discussion and analysis of the City of Ladue's financial performance provides an overview and analysis of the City's financial activities for the fiscal year ended December 31, 2014. It should be read in conjunction with the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- From a government-wide overview, the total net position of the City of Ladue grew 9% from \$42.0 million (2013) to \$45.9 million (2014). This \$3.9 million growth reflected governmental activities revenues of \$16.8 million less expenses of \$12.9 million. Excluding revenues from capital and operating grants and contributions, revenues saw increases in sales taxes.
- The General Fund recorded a surplus (revenues less expenditures) of \$265,619 versus an anticipated budget deficit of \$604,495. This \$870,114 favorable variance was led by total revenues that exceeded budget by \$577,746 (4.96%) and expenditures that were below budget by \$292,368 (2.33%). The fund balance for the General Fund grew from \$10,063,522 at the beginning of the year to \$10,329,141 at the end of the year.
- The Road and Bridge Fund recorded a surplus (revenues less expenditures) of \$185,260 versus an anticipated budget deficit of \$38,112. This \$223,372 favorable variance was led by total expenditures that were below budget by \$996,320 (42.26%) offset by revenues that were below budget by \$772,948 (29.71%). The fund balance for the Road and Bridge Fund grew from \$2,117,086 at the beginning of the year to \$2,302,346 at the end of the year.
- The Capital Improvements Fund recorded a deficit (revenues less expenditures) of \$2,037,366 versus an anticipated budget deficit of \$2,239,034. This \$201,668 favorable variance was led by total revenues that were above budget by \$98,578 (11.14%) and expenditures that were below budget by \$103,090 (3.30%). The fund balance for the Capital Improvements Fund decreased from \$2,799,156 at the beginning of the year to \$761,790 at the end of the year.
- The Storm Water Projects Fund recorded a surplus (revenues less expenditures) of \$376,457 versus an anticipated budget deficit of \$125,278. This \$501,735 favorable variance was led by total expenditures that were below budget by \$1,364,555 (49.95%) offset by revenues that were below budget by \$862,820 (32.84%) reflecting grant revenue that moves forward into the upcoming budget year. The fund balance for the Storm Water Fund grew from \$6,115,493 at the beginning of the year to \$6,491,950 at the end of the year.
- The Non Uniform Retirement Fund completed the year with assets of \$4,394,630. The City contributed \$176,589 (actuarial required) to the plan during the year. The Uniform Pension Fund completed the year with assets of \$29,983,189. The City contributed \$2,599,667 (actuarial required plus an additional \$1,000,000) and employees contributed \$280,914 to the plan during the year.

## **REPORT LAYOUT**

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

### **Basic Financial Statements**

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

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

## **THE CITY AS A WHOLE**

### **Government-wide Financial Analysis**

The City's combined net position is \$45,907,641 as of December 31, 2014. This analysis focuses on the net assets (table 1), and changes in general revenues (table 2) and significant expenses of the City's governmental activities.

The City's net position consists of its investment in capital assets (e.g., land, buildings, improvements, vehicles, infrastructure and equipment); less accumulated depreciation and any related debt used to acquire those assets that is still outstanding and unrestricted balances. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

**Table 1**

	2014	2013	Increase (Decrease)
Current and other assets	\$ 27,175,236	\$ 26,911,317	\$ 263,919
Capital assets	21,823,660	17,508,532	4,315,128
Total assets	48,998,896	44,419,849	4,579,047
Current and other liabilities	1,404,786	786,756	618,030
Long-term liabilities	1,686,469	1,623,984	62,485
Total liabilities	3,091,255	2,410,740	680,515
Net position:			
Net investment in capital assets	21,709,225	17,283,832	4,425,393
Restricted	9,562,286	11,044,484	(1,482,198)
Unrestricted	14,636,130	13,680,793	955,337
Total net position	\$ 45,907,641	\$ 42,009,109	\$ 3,898,532

Governmental activities increased the City's net position by \$3,898,532. The key elements of this increase are as follows:

**Table 2**

	2014	2013	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 1,596,391	\$ 1,552,193	\$ 44,198
Capital and operating grants	1,882,427	1,134,749	747,678
General revenues:			
Taxes	13,280,696	12,729,836	550,860
Interest income	53,064	59,928	(6,864)
Miscellaneous	18,630	31,001	(12,371)
Total revenues	16,831,208	15,507,707	1,323,501
Expenses:			
General government	\$ 1,213,757	\$ 1,149,350	\$ 64,407
Police department	4,580,350	4,327,871	252,479
Fire department	4,789,296	4,689,687	99,609
Public works	2,340,779	2,310,862	29,917
Interest and fiscal charges	8,494	12,510	(4,016)
Total expenses	12,932,676	12,490,280	442,396
Increase in net position	3,898,532	3,017,427	881,105
Net position, beginning of year	42,009,109	38,991,682	3,017,427
Net position, end of year	\$ 45,907,641	\$ 42,009,109	\$ 3,898,532



Total 2014 revenues shown in Table 2 were \$16,831,208 compared with total revenues of \$15,507,707 in 2013. The increase in total revenues of \$1,323,501 represents an overall increase in revenue of 8.5%. This increase in government-wide revenue primarily reflects:

- A net increase of \$747,678 in total capital and operating grants as MODOT/Federal reimbursements ramp up from work on the Litzsinger, McKnight, and Price road, and I-170 SB Ramps at Ladue Road and sidewalk projects.
- A net increase of \$550,860 in total taxes which reflects increases in sales taxes (+10.3%), utilities gross receipts taxes (+1.2%) and property taxes (+1.3%).

Total government-wide expenses increased \$442,396 (+3.5%) from \$12,490,280 in 2013 to \$12,932,676 in 2014 primarily reflecting a modest increase in salaries/wages (COLA) and other personnel costs.

### Governmental Funds

The following table presents the amount of revenues from various sources using the modified accrual basis of accounting, for all governmental funds.

**Table 3**

	Fiscal Year Ending 2014	Fiscal Year Ending 2013	Increase (Decrease)	Percentage Change	
Taxes	\$ 13,255,003	\$ 12,559,820	\$ 695,183	5.5	%
Licenses and permits	617,061	617,976	(915)	(0.1)	
Fines and court costs	589,480	522,134	67,346	12.9	
Charges for service	389,850	412,083	(22,233)	(5.4)	
Investment income	53,064	59,928	(6,864)	(11.5)	
Miscellaneous	1,901,057	1,165,750	735,307	63.1	
Total General Revenues	<u>\$ 16,805,515</u>	<u>\$ 15,337,691</u>	<u>\$ 1,467,824</u>	9.6	%

Total revenues as a whole increased (+9.6%) primarily reflecting the ramp up in MODOT/Federal grant reimbursements resulting from expenditures on the Litzsinger, McKnight, and Price road, and I-170 SB Ramps at Ladue Road and sidewalk projects. The increase is also due to an increase in tax revenues, primarily in sales taxes (+10.3%).

### THE CITY'S FUNDS

At the close of the City's fiscal year on December 31, 2014, the governmental funds of the City reported a combined fund balance of \$19,885,227. This ending balance reflects a decrease in total fund balances of \$1,210,030 in the City's funds. Refer to page 16 for individual fund results. Effective January 1, 2013 the City implemented significant changes to the retirement and pension plans which affect retirements and new hires. Included in these changes was the elimination of the vacation/sick leave payout at retirement in the calculation of the employee's final average salary and resulting annual benefit payment. Other changes in the uniform pension plan included an increase in employee contributions from 3% to 4.5% of salary in 2013 and 4.5% to 6% of salary in 2014, a reduction in benefits to 60% of final average salary for those hired after January 1, 2013 and a change to the unreduced retirement age to 60 for those hired after January 1, 2013. The City also contributed an additional \$1 million to the uniform pension plan (above and beyond its minimum actuarial required contribution) in 2013 and 2014.

## **General Fund**

Overall, the financial results for the General Fund were favorable in 2014, compared to the budget. The General Fund recorded a surplus (revenues less expenditures) of \$265,619 versus an anticipated budget deficit of \$604,495. This \$870,114 favorable variance was led by total revenues that exceeded budget by \$577,746 (4.96%) and expenditures that were below budget by \$292,368 (2.33%). The fund balance for the General Fund grew from \$10,063,522 at the beginning of the year to \$10,329,141 at the end of the year. \$10,163,557 (98%) of the fund balance was unassigned and available for general government use at the end of the year.

Revenue gains were strongly supported by notable favorable variances compared to budget for the following revenues: water utility gross receipts tax \$85,708 (42.43%), natural gas utility gross receipts tax \$52,911 (11.01%), real estate and property tax \$132,916 (3.08%) and sales tax increases \$206,823 (9.45%). The re-designed Colonial Marketplace center rebuild has only one upper level unit available to lease. The Colonial Marketplace is supported by the creation of a Community Improvement District (CID) by St. Louis County. This CID includes retail property in the City of Ladue (Colonial Marketplace and part of Ladue Crossing shopping centers) and the City of Clayton (part of Colonial Marketplace). The CID is financially supported by a 1% (additional) sales tax.

Expenditure results were 2.3% favorable to budget and all departments finished the year below budget. The main savings were in personnel lines due to temporary vacancies. The City made all of its actuarial required contributions to the uniform pension plan (plus the budgeted \$1,000,000 contribution) and the non-uniform retirement plan during the year (based on the January 1, 2014 reports).

## **Road and Bridge Fund**

The Road and Bridge Fund recorded a surplus (revenues less expenditures) of \$185,260 versus an anticipated budget deficit of \$38,112. This \$223,372 favorable variance was led by total expenditures that were below budget by \$996,320 (42.26%) offset by revenues that were below budget by \$772,948 (29.71%). These results are due to savings compared to budget for Litzsinger Road as well as anticipated spending (and corresponding grant revenues) on Ladue (at I-170), McKnight, and Price road/sidewalks projects that did not occur (deferred forward). The fund balance (all restricted) for the Road and Bridge Fund grew from \$2,117,086 at the beginning of the year to \$2,302,346 at the end of the year based on the surplus generated during the year.

## **Capital Improvements Fund**

The Capital Improvements Fund recorded a deficit (revenues less expenditures) of \$2,037,366 versus an anticipated budget deficit of \$2,239,034. This \$201,668 favorable variance was led by total revenues that were above budget by \$98,578 (11.14%) and expenditures that were below budget by \$103,090 (3.30%). These results include an increase in sales tax revenues over budget by \$100,866 or 12.7%. The fund balance (all restricted) for the Capital Improvements Fund decreased from \$2,799,156 at the beginning of the year to \$761,790 at the end of the year.

## Storm Water Projects Fund

The Storm Water Fund Projects recorded a surplus (revenues less expenditures) of \$376,457 versus an anticipated budget deficit of \$125,278. This \$501,735 favorable variance was led by total expenditures that were below budget by \$1,364,555 (49.95%) offset by revenues that were below budget by \$862,820 (32.84%) reflecting grant revenue that moves forward into the upcoming budget year. These results reflect anticipated spending (and corresponding grant revenues) on the McKnight, and Price road/sidewalks projects that did not occur (deferred forward). The fund balance (all restricted) for the Storm Water Fund grew from \$6,115,493 at the beginning of the year to \$6,491,950 at the end of the year based on the surplus generated during the year.

## FIDUCIARY FUNDS

The Non Uniform Retirement Fund completed the year with assets of \$4,394,630. The City contributed \$176,589 (actuarial required) to the plan during the year. The Fund experienced a net gain of \$187,565 over the year reflecting the city's contribution and a 6.2% money weighted rate of return on invested assets in 2014. The (actuarial determined) funded ratio (assets to liabilities) of the plan was 91.6% at 12/31/14.

The Uniform Pension Fund completed the year with assets of \$29,983,189. The City contributed \$2,599,667 (actuarial required plus an additional \$1,000,000) and employees contributed \$280,914 (6% of salary) to the plan during the year. The Fund experienced a net gain of \$2,380,843 over the year reflecting these contributions coupled with a 6.08% money weighted rate of return for 2014. The (actuarial determined) funded ratio (assets to liabilities) of the plan was 80.2% at 12/31/14.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2014, the City had \$31,783,006 invested in a broad range of capital assets, including police and public works equipment, buildings, fire equipment, roads, bridges, and other infrastructure (See Table 4). This amount represents a net increase (including additions and disposals) of \$4,858,204, or +18.0% over the prior fiscal year.

**Table 4**

	2014	2013	Increase (Decrease)
Land	\$ 316,425	\$ 316,425	\$ -
Buildings	7,569,835	4,959,305	2,610,530
Improvements	1,228,504	1,228,504	-
Machinery and equipment	2,812,467	2,835,259	(22,792)
Vehicles	2,775,314	2,794,918	(19,604)
Infrastructure	14,327,827	13,047,504	1,280,323
Construction in progress	2,752,633	1,742,883	1,009,750
Total	\$ 31,783,005	\$ 26,924,798	\$ 4,858,207

The in service additions to Capital assets this fiscal year were as follows:

• Administration Server Upgrade	\$ 14,780
• Fire House #2 Turn Out Gear Washer/Dryer	15,465
• Fire House #2 Phone System	20,004
• Web Site Design	20,470
• Mobile Hydraulic Truck Lift	25,660
• Four In-Car Police Video Systems	27,125
• Fire Department Traffic Signal Equipment	53,173
• 2 Ton Dump Truck	81,985
• Three Heart Monitor Defibrillator Machines	89,960
• Conway Road Nova Chip Seal	104,543
• Four Police Vehicles	106,782
• John Deer Front End Loader	124,865
• Litzsinger Road, Sidewalk and Bridge Construction	1,175,782
• Fire House No. 2 Construction	2,647,821

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

The City of Ladue expects that general overall economic forecast will remain stable with continued recovery in 2015. In the interest of generating a conservative budget, key revenue streams are, for the most part, forecast flat with 2014 estimated results at the time of budget. Key expenditure areas contain moderate increases. The City's capital plan to replace its aging firehouses started in late 2013 with the demolition of firehouse #2 and the construction of the new house which was completed October 25, 2014 at a cost of \$2,647,821. Nominal design costs of \$46,348 are included in the 2015 budget with construction planned for the 2016 year. The uniform pension plan increased employee contributions in 2014 to 6.0% of salary and contributed \$1 million above the minimum actuarial contribution in 2013 and 2014. These changes coupled with other approved assumption and funding method changes are intended to improve the integrity, stability, and funded ratios of the City's pension and retirement plans.

General Fund 2015 revenues are budgeted at \$12,137,631 (excludes \$348,000 in Road and Bridge and Storm Water inter-fund transfers-in) and expenditures are budgeted at \$12,181,299. These budget expenditure levels represent an overall 3.0% decrease from the 2014 budget including a 5.9% decrease in total personnel costs which excludes the extra \$1 million pension contribution in 2014. Personnel costs account for 82% of total General Fund expenditures. The 2015 budget includes an increase to salary lines of 3.5% compared to the 2014 budget. Other notable General Fund expenditures include a 5% increase for property, liability and vehicle insurance, 8% increase for medical insurance, 3.2% increase for workers compensation insurance, utility increases of 5 - 13% and the addition of a fire dispatch contract with Central County E911 for \$216,549. Overall the General Fund is budgeted to record a net income increase to fund balance of approximately \$304,332 in 2015 which would result in an estimated fund reserve balance of \$10,633,473.

In 2015, the City expects to continue work on McKnight Road (bridge/culvert replacements, road repaving and sidewalks) and Price Road (road repaving, storm water and sidewalks) in the Road and Bridge and Storm Water Funds and develop a storm water needs assessment and master plan. Total revenues of \$2,150,233 and expenditures of \$1,941,310 (excludes \$321,000 inter-fund transfer to General Fund) are projected in the Road and Bridge Fund leading to an expected deficit of \$112,077 and an ending fund reserve balance of \$2,190,269. Total revenues of \$2,172,211 and expenditures of \$1,790,014 (excludes \$27,000 inter-fund transfer to the General Fund) are projected in the Storm Water Fund leading to a budgeted net income of \$355,197 and an ending fund reserve balance of \$6,847,147.

The 2015 Capital Improvements Fund budget includes revenues of \$882,598 and an expenditure budget of \$502,236 which includes \$234,922 in equipment purchases and replacements, \$187,966 in vehicle replacements, and \$46,348 toward designing the Fire house #1 building. The fund is projected to have a \$380,362 increase to net income and an estimated ending fund reserve balance of approximately \$1,142,152.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives.

If you have questions about this report or would like additional financial information, please contact Julie O'Guinn, Director of Finance of the City of Ladue, Missouri.

**CITY OF LADUE, MISSOURI**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2014**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,987,118
Investments	11,307,336
Taxes receivable:	
Property	2,190,646
Other	2,113,834
Inventory	36,066
Prepaid insurance	102,853
Net pension asset	5,437,383
Capital assets - net	
Nondepreciable	3,069,058
Depreciable	18,754,602
TOTAL ASSETS	<u>48,998,896</u>
<b>LIABILITIES</b>	
Accounts payable	938,490
Accrued employee benefits	96,257
Escrow payable	254,703
Deferred revenue	115,336
Noncurrent liabilities:	
Due in one year	918,565
Due in more than one year	767,904
TOTAL LIABILITIES	<u>3,091,255</u>
<b>NET POSITION</b>	
Net investment in capital assets	21,709,225
Restricted for capital improvements	9,562,286
Unrestricted	14,636,130
TOTAL NET POSITION	<u>\$ 45,907,641</u>

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

**CITY OF LADUE, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Change in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General government	\$ 1,213,757	\$ 653,431	\$ -	\$ -	\$ (560,326)
Police department	4,580,350	751,553	197,502	-	(3,631,295)
Fire department	4,789,296	191,407	-	-	(4,597,889)
Public works	2,340,779	-	-	1,684,925	(655,854)
Interest and fiscal charges	8,494	-	-	-	(8,494)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$12,932,676</b>	<b>\$ 1,596,391</b>	<b>\$ 197,502</b>	<b>\$ 1,684,925</b>	<b>(9,453,858)</b>
Taxes:					
Sales					4,338,408
Utility					3,258,764
Property					4,520,958
Franchise					212,217
Intergovernmental					950,349
Interest income					53,064
Other miscellaneous revenue					18,630
<b>TOTAL GENERAL REVENUES</b>					<b>13,352,390</b>
<b>CHANGE IN NET POSITION</b>					<b>3,898,532</b>
<b>NET POSITION BEGINNING OF YEAR</b>					<b>42,009,109</b>
<b>NET POSITION END OF YEAR</b>					<b>\$ 45,907,641</b>

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

**CITY OF LADUE, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2014**

	General Fund	Road and Bridge Fund	Capital Improvement Fund	Storm Water Projects Fund	Total
<b>ASSETS AND OTHER DEBITS</b>					
Cash and cash equivalents	\$ 2,724,916	\$ 1,156,313	\$ 819,360	\$ 1,286,529	\$ 5,987,118
Investments	5,307,336	900,000	-	5,100,000	11,307,336
Taxes receivable:					
Property	2,190,646	-	-	-	2,190,646
Other	1,014,857	511,632	144,993	442,352	2,113,834
Inventory	36,066	-	-	-	36,066
Prepaid insurance	102,853	-	-	-	102,853
<b>TOTAL ASSETS</b>	<b>\$ 11,376,674</b>	<b>\$ 2,567,945</b>	<b>\$ 964,353</b>	<b>\$ 6,828,881</b>	<b>\$ 21,737,853</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 133,397	\$ 265,599	\$ 202,563	\$ 336,931	\$ 938,490
Accrued employee benefits	96,257	-	-	-	96,257
Escrow payable	254,703	-	-	-	254,703
<b>TOTAL LIABILITIES</b>	<b>484,357</b>	<b>265,599</b>	<b>202,563</b>	<b>336,931</b>	<b>1,289,450</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	369,214	-	-	-	369,214
Unavailable revenue - ambulance fees	193,962	-	-	-	193,962
<b>TOTAL DEFERRED INFLOWS</b>	<b>563,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563,176</b>
<b>FUND BALANCES:</b>					
Non-spendable:					
Prepaid items	102,853	-	-	-	102,853
Inventory	36,066	-	-	-	36,066
Restricted:					
Beautification projects	6,200	-	-	-	6,200
Road and bridge projects	-	2,302,346	-	-	2,302,346
Capital improvements	-	-	761,790	-	761,790
Storm water projects	-	-	-	6,491,950	6,491,950
Assigned:					
Beautification project	20,465	-	-	-	20,465
Unassigned	10,163,557	-	-	-	10,163,557
<b>TOTAL FUND BALANCES</b>	<b>10,329,141</b>	<b>2,302,346</b>	<b>761,790</b>	<b>6,491,950</b>	<b>19,885,227</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,376,674</b>	<b>\$ 2,567,945</b>	<b>\$ 964,353</b>	<b>\$ 6,828,881</b>	<b>\$ 21,737,853</b>

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



***CITY OF LADUE, MISSOURI***  
**RECONCILIATION OF THE STATEMENT OF NET POSITION  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
AS OF DECEMBER 31, 2014**

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

Total fund balance per balance sheet	\$ 19,885,227
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,823,660
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	447,840
Net pension assets are not current financial resources and, therefore, are not reported in the funds.	5,437,383
Net other post employment liability does not require the use of current financial resources and, therefore, is not reported in the funds.	(435,300)
Long-term liabilities not due and payable in the current period and therefore, are not reported in the funds.	<u>(1,251,169)</u>
Net position of governmental activities	<u><u>\$ 45,907,641</u></u>

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

**CITY OF LADUE, MISSOURI**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**ALL GOVERNMENTAL FUND TYPES**

**FOR THE YEAR ENDED DECEMBER 31, 2014**

	General Fund	Road and Bridge Fund	Capital Improvement Fund	Storm Water Projects Fund	Total
<b>REVENUES</b>					
Taxes	\$ 10,430,056	\$ -	\$ 893,366	\$ 1,051,019	\$ 12,374,441
Intergovernmental	-	880,562	-	-	880,562
Licenses and permits	581,425	35,636	-	-	617,061
Fines and court costs	589,480	-	-	-	589,480
Charges for service	389,850	-	-	-	389,850
Investment income	22,346	5,557	4,994	20,167	53,064
Miscellaneous	215,148	906,971	85,404	693,534	1,901,057
<b>TOTAL REVENUES</b>	<u>12,228,305</u>	<u>1,828,726</u>	<u>983,764</u>	<u>1,764,720</u>	<u>16,805,515</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,172,673	-	-	-	1,172,673
Police department	4,717,170	-	-	-	4,717,170
Fire department	4,924,423	-	-	-	4,924,423
Public works	1,451,420	123,445	-	-	1,574,865
Capital outlay	-	1,238,021	2,902,371	1,367,263	5,507,655
Debt service	-	-	118,759	-	118,759
<b>TOTAL EXPENDITURES</b>	<u>12,265,686</u>	<u>1,361,466</u>	<u>3,021,130</u>	<u>1,367,263</u>	<u>18,015,545</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(37,381)	467,260	(2,037,366)	397,457	(1,210,030)
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfer in (out)	303,000	(282,000)	-	(21,000)	-
<b>CHANGE IN FUND BALANCE</b>	265,619	185,260	(2,037,366)	376,457	(1,210,030)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>10,063,522</u>	<u>2,117,086</u>	<u>2,799,156</u>	<u>6,115,493</u>	<u>21,095,257</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 10,329,141</u>	<u>\$ 2,302,346</u>	<u>\$ 761,790</u>	<u>\$ 6,491,950</u>	<u>\$ 19,885,227</u>

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

***CITY OF LADUE, MISSOURI***  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

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

Change in fund balance-total governmental funds	\$ (1,210,030)
The acquisition of capital assets requires the use of current financial resources, but has no effect on net position.	5,582,208
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(1,166,238)
The net effect of other miscellaneous transactions involving capital assets (ie. sales or trade-ins) that decrease net position.	(100,842)
Revenues in the statement of activities that do not provide current financial resources, are not reported as revenue in the governmental funds.	25,693
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	681,926
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	110,265
Compensated absences do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds.	<u>(24,450)</u>
Change in net position of governmental activities	<u><u>\$ 3,898,532</u></u>

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

**CITY OF LADUE, MISSOURI**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2014**

**ASSETS**

	<u>PENSION TRUST</u>		
	<u>FIREMEN'S AND POLICEMEN'S PENSION FUND</u>	<u>PENSION FUND NON-UNIFORMED EMPLOYEES</u>	<u>TOTAL</u>
Cash and cash equivalents	\$ 265,272	\$ 211,681	\$ 476,953
Accrued interest receivable	32,056	4,623	36,679
Investments - at fair value:			
Bonds funds	6,714,982	939,872	7,654,854
Stock funds	21,207,991	2,978,933	24,186,924
Hedge funds	1,117,716	163,512	1,281,228
Traded real estate fund	435,802	66,099	501,901
Commodities fund	209,370	29,910	239,280
Total Investments	<u>29,685,861</u>	<u>4,178,326</u>	<u>33,864,187</u>
 TOTAL POSITION	 <u>\$ 29,983,189</u>	 <u>\$ 4,394,630</u>	 <u>\$ 34,377,819</u>

**LIABILITIES AND NET POSITION**

NET POSITION			
Net position held in trust for pension benefits	\$ 29,983,189	\$ 4,394,630	\$ 34,377,819
 TOTAL LIABILITIES AND NET POSITION	 <u>\$ 29,983,189</u>	 <u>\$ 4,394,630</u>	 <u>\$ 34,377,819</u>

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

**CITY OF LADUE, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	PENSION TRUST		
	FIREMEN'S AND POLICEMEN'S PENSION FUND	PENSION FUND NON-UNIFORMED EMPLOYEES	TOTAL
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 2,599,667	\$ 176,589	\$ 2,776,256
Plan members	280,914	-	280,914
Total Contributions	<u>2,880,581</u>	<u>176,589</u>	<u>3,057,170</u>
Investment return:			
Net appreciation in fair value of investments	1,249,851	186,091	1,435,942
Interest and dividends	590,902	88,798	679,700
Less: investment expenses	(78,158)	(11,779)	(89,937)
Net Investment Return	<u>1,762,595</u>	<u>263,110</u>	<u>2,025,705</u>
TOTAL ADDITIONS	<u>4,643,176</u>	<u>439,699</u>	<u>5,082,875</u>
<b>DEDUCTIONS</b>			
Benefit payments	2,233,356	218,598	2,451,954
Refunds	16,711	24,852	41,563
Administrative expense	12,266	8,684	20,950
TOTAL DEDUCTIONS	<u>2,262,333</u>	<u>252,134</u>	<u>2,514,467</u>
<b>CHANGE IN NET POSITION</b>	2,380,843	187,565	2,568,408
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>27,602,346</u>	<u>4,207,065</u>	<u>31,809,411</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 29,983,189</u>	<u>\$ 4,394,630</u>	<u>\$ 34,377,819</u>

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

**CITY OF LADUE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Ladue, Missouri, (the City) was incorporated December 1, 1936. The City operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety (police and fire), public works, public improvements, planning and zoning, and general administrative services.

**A. REPORTING ENTITY**

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

**B. BASIC FINANCIAL STATEMENTS**

Basic financial statements consist of the following:

- Government-wide financial statements
- Fund financial statements, and
- Notes to the basic financial statements.

The government-wide financial statements consist of the statement of net position and the statement of activities and report information on all of the nonfiduciary activities of the Primary Government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. All internal balances in the statement of net position have been eliminated.

*Statement of Net Position* -The statement of net position is designed to display the financial position of the Primary Government (governmental and business-type activities). The City reports capital assets in the government-wide statement of net position and reports depreciation expense in the statement of activities. The net position of the City are broken down into three categories 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

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

B. **BASIC FINANCIAL STATEMENTS - continued**

*Statement of Activities* - The statement of activities reports expenses and revenues in a format that focuses on the cost of each of the City's functions. The expense of individual functions is compared to the revenue generated directly by the function. Accordingly, the City has recorded capital assets and certain other long-term assets and liabilities in the statement of net position and has reported all revenues and the cost of providing services under the accrual basis of accounting in the statement of activities. The City has elected to implement the requirements of GASB 34 related to infrastructure assets from January 1, 2004 forward.

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

Separate fund based financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. The major governmental funds are the General Fund, the Road and Bridge Fund, the Capital Improvement Fund, and the Storm Water Projects Fund. GASB No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. Even though the Road and Bridge Fund does not meet the minimum criteria, the City feels this fund is significant enough to be considered a major fund.

C. **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. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds financial statements are reported using the 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City in general considers revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

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

C. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION - continued**

For the governmental funds financial statements, the City considers all revenues susceptible to accrual and recognizes revenue if the accrual criteria are met. Specifically, sales taxes, franchise taxes, licenses, interest, special assessments, charges for services, and other miscellaneous revenue are considered to be susceptible to accrual and have been recognized as revenue in the current fiscal period.

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The City reports the following major governmental funds:

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

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

**The Storm Water Projects Fund** - The City uses this fund to account for sales tax revenue designated for parks and storm water projects.

**The Road and Bridge Fund** - The City uses this fund to account for tax revenue designated for road improvements.

Fiduciary fund types are used to account for assets held by the City in a trustee capacity or as an agent or on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

**Pension Trust Funds** - Pension Trust Funds are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. The pension trust funds account for the assets of Firemen's and Policemen's Pension Plan and the Pension Plan for Non-Uniformed Employees.

D. **CAPITAL ASSETS**

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



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

D. **CAPITAL ASSETS - continued**

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

<u>Major Group</u>	<u>Life</u>
Buildings and improvements	7 - 40 years
Machinery and equipment	3 - 25 years
Vehicles	2 - 12 years
Infrastructure	20 - 50 years

The government-wide financial statements do not reflect those infrastructure assets completed prior to January 1, 2004. From this point forward, new infrastructure will be added to the records while the retroactive historical value of the City's infrastructure assets will not be added.

E. **ESTIMATES**

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

F. **INTERFUND TRANSACTIONS**

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

G. **COMPENSATED ABSENCES**

It is the City's policy that each year's accrued vacation should be taken within 12 months of the year in which it is earned. An employee may carry one week of vacation over into the second subsequent year provided written approval is obtained from the appropriate department head. Employees are compensated at their hourly rate for unused vacation upon retirement, resignation (if in good standing) or termination.

Employees of the administrative, police and public works departments can earn and accumulate sick leave at the rate of 1 day (8 hours) per month of service to a maximum of 120 days (960 hours) for purposes of computing the payout. Members of the fire department can earn and accumulate sick leave at the rate of one-half day (12 hours) per month of service to a maximum of 120 days (1,440 hours) for purposes of computing the payout.

Employees who have been employed in excess of 10 years are eligible to receive compensation for a portion of their accumulated sick leave. Employees are compensated at their current hourly rate upon retirement, resignation (if in good standing) or termination. Accumulated vacation and sick leave is accrued when incurred in the government-wide financial statements.

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

H. **NET POSITION AND FUND EQUITY**

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

When restricted sources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. The statement of net position reports \$9,562,286 of restricted net position, \$9,556,086 of which is restricted by enabling legislation..

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

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

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

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

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

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

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

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

I. **INVESTMENTS**

Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities. The Pension Trust Funds are also authorized to invest in corporate stocks and bonds as allowed by state law. Investments are carried at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting for Certain Investments and for External Investment Pools*. Investments with an original maturity of three months or less are considered to be cash equivalents.

J. **INVENTORY**

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the General Fund consists of gasoline held for consumption.

K. **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.

2. **BUDGETS AND BUDGETARY ACCOUNTING**

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Finance Director submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to December 31, the budget is formally adopted.
4. The Finance Director is authorized to transfer budgeted amounts between departments within any fund. Budget revisions are required at the fund level and must be approved by the Board of Aldermen.

Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles.

3. **CASH AND TEMPORARY INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds except the special revenue funds as required. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "investments". The investments of the Police and Firemen's Pension Fund and the Non-Uniformed Employees' Retirement Fund are held separately from those of other City funds.

3. **CASH AND TEMPORARY INVESTMENTS - continued**

At year-end, the carrying value of the City's deposits, including certificates of deposits, was \$17,294,807 and the bank balances were \$17,323,292. All of the bank balances were insured by federal depository insurance or collateralized by securities held by the City's agent in the City's name.

4. **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. Taxes are levied approximately November 1 and payable by December 31. As of January 1 of the following year, unpaid taxes are considered past due, the applicable property is subject to lien, and penalties and interest are assessed. Property taxes are shown net of an allowance for uncollectibles which is equal to the amounts not collected within 60 days of year-end. Property tax is collected by St. Louis County and remitted to the City. The assessed value at January 1, 2014, upon which the 2014 levy was based for real, personal and public utility property, was \$618,712,481. The City's tax rate was levied per \$100 of assessed valuation for the General Fund based on the following property classes:

Real estate:	
Residential	\$ 0.729
Commercial	0.750
Agricultural	1.000
Personal property	0.756

5. **COURT FINES AND FEES**

The City collected \$589,480 of court fines and costs for traffic violation which is 4.8% of general operating revenues for the year ended December 31, 2014.

6. **INTERFUND TRANSACTIONS**

The Road and Bridge Fund transfers funds annually to the General Fund to cover expenditures made in the General Fund that were road and bridge in nature, which includes some expenditures charged to Public Works. The following operating transfers were made during the fiscal year ending December 31, 2014:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$303,000	\$ -
Road and Bridge Fund	-	282,000
Storm Water Projects Fund	-	21,000

## 7. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2014 is as follows:

	Balance, Beginning Of Year	Transfers and Additions	Transfer and Deletions	Balance, End Of Year
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 316,425	\$ -	\$ -	\$ 316,425
Construction in process	1,742,883	2,160,531	( 1,150,781)	2,752,633
Total capital assets, not being depreciated	2,059,308	2,160,531	( 1,150,781)	3,069,058
Capital assets, being depreciated:				
Buildings	4,959,305	2,655,162	(44,632)	7,569,835
Improvements	1,228,504	-	-	1,228,504
Machinery and equipment	2,835,259	421,496	(444,288)	2,812,467
Vehicles	2,794,918	188,767	(208,371)	2,775,314
Infrastructure	13,047,504	1,280,323	-	14,327,827
Total capital assets, being depreciated	24,865,490	4,545,748	(697,291)	28,713,947
Less: accumulated depreciation				
Buildings	(2,137,395)	( 136,238)	16,921	(2,256,712)
Improvements	( 725,643)	( 38,902)	-	( 764,545)
Machinery and equipment	(2,293,938)	( 127,868)	425,924	(1,995,882)
Vehicles	(1,693,700)	( 257,416)	180,314	(1,770,802)
Infrastructure	(2,565,590)	( 605,814)	-	(3,171,404)
Total accumulated Depreciation	(9,416,266)	(1,166,238)	623,159	(9,959,345)
Total capital assets, being depreciated, net	15,449,224	3,379,510	( 74,132)	18,754,602
Total governmental activities	\$ 17,508,532	\$ 5,540,041	\$ ( 1,224,913)	\$ 21,823,660

7. **CAPITAL ASSETS - continued**

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

Governmental activities:

General government	\$ 53,542
Police department	192,391
Fire department	170,243
Public works	<u>750,062</u>
Total depreciation governmental activities	\$ <u>1,166,238</u>

8. **LONG-TERM LIABILITIES**

	Balance, Beginning Of Year	Additions	Reductions	Balance, End Of Year	Due Within One Year
Governmental activities:					
Accrued vacation	\$ 413,338	\$ 435,330	\$ (413,338)	\$ 435,330	\$ 435,330
Accrued sick leave	698,946	294,898	(292,440)	701,404	231,000
Capital lease	224,700	-	(110,265)	114,435	114,435
Net other post employment benefit obligation	<u>287,000</u>	<u>321,400</u>	<u>(173,100)</u>	<u>435,300</u>	<u>137,800</u>
Subtotal governmental Activities	\$ <u>1,623,984</u>	\$ <u>1,051,628</u>	\$ <u>(989,143)</u>	\$ <u>1,686,469</u>	\$ <u>918,565</u>

Funds to retire accrued vacation and sick leave as well as the other post-employment benefit obligation come from the General Fund.

**Capital Lease**

The City entered into a lease/purchase agreement with OskKosh Capital to finance the purchase of a fire truck. The fire truck was recorded as a capital asset in the Governmental Activities at a cost of \$541,688 and has accumulated depreciation of \$195,775 as of December 31, 2014. The lease is recorded in the government-wide statement of net assets. Payments include principal and interest and have been made from the Capital Improvements Fund.

On December 31, 2014, the outstanding principal and other information on the City's lease consists of the following:

Lessor	Interest Rate	Maturity	Total Annual Payment	Balance
OskKosh	3.78%	February 2015	\$ 118,759	\$ 114,435

8. **LONG-TERM LIABILITIES-** continued

Future minimum lease payments are as follows:

2015	\$ 118,759
Portion representing interest	( 4,324)
Net present value	<u>\$ 114,435</u>

9. **EMPLOYEE RETIREMENT SYSTEMS**

The City administers two single-employer, defined benefit pension plans - the Firemen's and Policemen's Pension Plan (Uniformed Plan), which covers all of its sworn public safety employees and The Pension Plan for Non-Uniformed Employees (Non-Uniformed Plan), which covers all of the City's full-time general employees. Each plan's assets may be used only for the payment of benefits to the plan's members in accordance with the terms of the plan.

Membership of each plan consisted of the following at January 1, 2014, the date of the last actuarial valuation:

	<u>Uniformed Plan</u>	<u>Non-Uniformed Plan</u>
Retirees and beneficiaries currently receiving benefits	61	18
Terminated plan members entitled to but not yet receiving benefits	4	4
Terminated nonvested	-	-
Active plan members	<u>59</u>	<u>26</u>
TOTAL	<u>124</u>	<u>48</u>

**THE CITY OF LADUE, MISSOURI FIREMEN'S AND POLICEMEN'S PENSION PLAN (UNIFORMED PLAN)**

**Plan Description**

The City of Ladue, Missouri Firemen's and Policemen's Pension Plan (Uniformed Plan) covers all of the City's sworn full-time police and fire employees. The Uniformed Plan is a single-employer, defined benefit pension plan which provides retirement and death benefits to plan members and their beneficiaries. Disability benefits are provided outside the plan through an insurance company. An annual cost of living adjustment is provided based on the annual change in the Consumer Price Index, but not more than 2% per year and not more than 20% over the life of the payments. The Board of Aldermen has the authority to amend the benefit provisions of the Plan. The Pension Board is composed of the City Treasurer and Mayor, two city residents and four city employees. Neither plan issues separate stand alone financial statements. The financial information is included as Pension Trust Funds in the City's basic financial statements.

The normal retirement benefit is available to an eligible employee who has completed 20 or more years of service. The employee is then eligible to receive a monthly lifetime benefit equal to 2% of the employee's final average salary multiplied by his first 20 years of service and 2.5% of the final average salary multiplied by years of service in excess of 20 years (up to a maximum of 10 years). An eligible employee who has completed at least 10 years but less than 20 years, upon reaching his normal retirement date, be entitled to receive a monthly lifetime benefit of 2% of his career average salary multiplied by years of service.

9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

**Contributions**

Plan members are required to contribute 6.0% of their annual pay in 2014 and thereafter. It is the City's policy to make contributions at the actuarially determined rate or higher. The Board of Aldermen has the authority to amend contribution requirements. Administrative costs are financed through City contributions and investment earnings.

**Investment Policy** - The primary objective of the portfolio is to direct the investment and reinvestment of plan assets with the primary objective of maximizing long-term total return while protecting principal. It is the policy of the Board to pursue an investment strategy through diversification across a selection of asset classes. The pension plan's investment policy maintains appropriate level of liquidity to meet cash flow needs, however short term positions generally should not exceed 5% of total portfolio.

The following was the Board's adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Maximum</u>	<u>Minimum</u>
Equities	62%	73	45
Fixed-Income	28	55	20
Alternatives	10	14	-
TOTAL	100%		

**Rate of Return** - For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Annual Pension Cost and Net Pension Obligation**

The City's annual pension cost and net pension obligation for the Uniformed Plan are as follows:

Year Ended December 31

Annual required contribution	\$ 1,599,667
Interest on net pension obligation	( 301,768)
Adjustment to annual required contribution	463,420
Annual pension cost	1,761,319
Contribution made	(2,599,667)
Change in net pension obligation (assets)	(838,348)
Net pension obligation (asset) - beginning of year	(4,310,972)
Net pension obligation (asset) - end of year	\$ (5,149,320)



9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

**Net Pension Liability**

The components of the net pension liability of the City at December 31, 2014, were as follows:

Total pension liability	\$	\$37,379,818
Less: plan fiduciary net position		(29,983,189)
Net pension liability	\$	<u>\$7,396,629</u>

Plan fiduciary net position as a	
Percentage of total pension liability	80.2 %

**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all period included in the measurement:

Salary increases of 4.5% including inflation of 2.5%  
Investment rate of return of 7.0%  
Cost of living adjustments of 2.0% with 20% cap on original benefit

Mortality rates are based on the RP-2000 Combined White Collar Mortality for Employees and Healthy Annuitants for males or females, as appropriate, with adjustments for mortality improvements based on Scale AA. For disabled lives; Past - 1994 Disability Mortality as prescribed by IRS Revenue Ruling 96-7.

*Assumed Rate of Return* - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

9. **EMPLOYEE RETIREMENT SYSTEMS** - continued

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	
Core Fixed Income	2.12	%
High Yield Bonds	4.57	
Non-US Fixed Income	5.14	
Large Cap US Equities	5.33	
Mid Cap US Equities	5.91	
Small Cap US Equities	6.52	
Developed Foreign Equities	6.68	
Emerging Market Equities	8.46	
Hedge Funds/ Absolute Return	4.59	
Real Estate (REITS)	6.28	
Commodities	3.59	
Infrastructure	5.84	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contribution will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease	Current Rate	1% Increase
Total pension liability	\$ 41,837,268	\$ 37,379,818	\$ 33,636,7586
Fiduciary net position	29,983,189	29,983,189	29,983,189
Net pension liability	11,854,079	7,396,629	3,653,567

9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

**THE CITY OF LADUE, MISSOURI PENSION PLAN FOR NON-UNIFORMED EMPLOYEES (NON-UNIFORMED PLAN)**

**Plan Description**

All of the City's full-time employees, excluding police and firemen, are eligible to participate in the City of Ladue, Missouri Pension Plan for Non-Uniformed Employees (Non-Uniformed Plan), a single-employer defined benefit retirement plan. The non-uniformed plan provides retirement, early retirement, and death benefits to plan members and their beneficiaries. Disability benefits are provided outside the plan through an insurance company. There is no cost of living adjustment provision. The Board of Aldermen has the authority to amend benefit provisions of the plan. The Pension Board is composed of the City Treasurer, Mayor, two residents, and two city employees.

The normal retirement benefit is a monthly payment equal to 1.25% times the participant's average monthly compensation times the participant's full years and completed months of credited service (but not in excess of thirty-five years of credited service). The normal retirement age is the date the employee turns 62. An early retirement benefit shall be calculated in the same manner as a normal retirement benefit but shall be based on the participant's average monthly compensation and credited service at his termination of employment.

**Contributions**

Plan members are not required to make contributions. It is the City's policy to make contributions at the actuarially determined rate or higher. The Board of Aldermen has the authority to amend contribution requirements. Administrative costs are financed through City contributions and investment earnings.

**Investment Policy** - The primary objective of the portfolio is to direct the investment and reinvestment of plan assets with the primary objective of maximizing long-term total return while protecting principal. It is the policy of the Board to pursue an investment strategy through diversification across a selection of asset classes. The pension plan's investment policy maintains appropriate level of liquidity to meet cash flow needs, however short term positions generally should not exceed 5% of total portfolio.

The following was the Board's adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Maximum</u>	<u>Minimum</u>
Equities	62%	73	45
Fixed-Income	28	55	20
Alternatives	10	14	-
TOTAL	100%		

9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

**Rate of Return** - For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Annual Pension Cost and Net Pension Obligation**

The City's annual pension cost and net pension obligation for the Uniformed Plan are as follows:

Year Ended December 31

Annual required contribution	\$ 176,589
Interest on net pension obligation	( 20,733)
Adjustment to annual required contribution	<u>28,855</u>
Annual pension cost	184,711
Contribution made	<u>(176,589)</u>
Change in net pension obligation (assets)	8,122
Net pension obligation (asset) - beginning of year	<u>(296,185)</u>
Net pension obligation (asset) - end of year	\$ <u>(288,063)</u>

**Net Pension Liability**

The components of the net pension liability of the City at December 31, 2014, were as follows:

Total pension liability	\$ 4,797,162
Less: plan fiduciary net position	<u>(4,394,630)</u>
Net pension liability	\$ <u>(402,532)</u>

Plan fiduciary net position as a percentage of total pension liability	91.6%
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**Actuarial Assumptions** - The total pension liability was determined by an actuarial valuation as of December 31, 2014, using the following actuarial assumptions, applied to all period included in the measurement:

Inflation	2.5%
Salary increases	4.5%
Investment rate of return	7.0%
Cost of living adjustments	None

Mortality rates are based on the RP-2000 Combined White Collar Mortality for Employees and Healthy Annuitants for males or females, as appropriate, with adjustments for mortality improvements based on Scale AA. For disabled lives; Past - 1994 Disability Mortality as prescribed by IRS Revenue Ruling 96-7.

9. **EMPLOYEE RETIREMENT SYSTEMS - continued**

*Assumed Rate of Return* - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset Class	Long-Term Expected Arithmetic Real Rate of Return	
Core Fixed Income	2.12	%
High Yield Bonds	4.57	
Non-US Fixed Income	5.14	
Large Cap US Equities	5.33	
Mid Cap US Equities	5.91	
Small Cap US Equities	6.52	
Developed Foreign Equities	6.68	
Emerging Market Equities	8.46	
Hedge Funds	4.59	
Real Estate (REITS)	6.28	
Commodities	3.59	
Infrastructure	5.84	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contribution will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current rate:

	1% Decrease	Current Rate	1% Increase
Total pension liability	\$ 5,422,173	\$ 4,797,162	\$ 4,275,251
Fiduciary net position	4,394,630	4,394,630	4,394,630
Net pension liability	1,027,543	402,532	(119,379)

## 10. DEFERRED COMPENSATION PLAN

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

Retirement Plan Advisors administers the City's Deferred Compensation Plan. With the adoption of Governmental Accounting Standards Board (GASB) No. 32, "*Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*" the City's Deferred Compensation Plan is not included in the basic financial statements. The City's Plan does not meet the criteria for reporting the Deferred Compensation Plan in a fiduciary fund.

## 11. OTHER POST EMPLOYMENT BENEFITS (OPEB)

**Plan Description and Provisions** - The City of Ladue has a single-employer other post employment plan that provides its retirees with access to healthcare (medical and dental insurance). Employees that retire in good standing and are covered by the City's health plan receive a subsidy of \$10 per month for each year of service up to 20 years (with a minimum of \$200 per month) and an additional \$20 per month for each year of service from 20 to 30 years (with a total maximum of \$400 per month). Employees become eligible for other post employment benefits on the retirement or disability date to age 65. The Plan does not issue a separate stand-alone financial report. Benefits under the Plan are established by ordinance and may be changed by the passage of an ordinance. The City funds these benefits on a pay as you go basis.

At January 1, 2012, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	85
Retirees and beneficiaries currently receiving benefits	47
Total Plan Participants	<u>132</u>

Triennial valuations are performed using the projected unit credit method. The unfunded actuarial accrued liability is amortized over a 15 year open period in level dollar amounts. The actuarial assumptions include (a) 3.60% discount rate, (b) marital status of members at the calculation date was assumed to be 50% and 70% married medical and dental coverage, respectively, (c) disability for uniformed participants based on 1985 Pension Disability Table - Class 3, disabilities are assumed to be 75% duty related, disability for non-uniformed participant vary by age and gender (d) mortality based on the RP2000 Combined White Collar Mortality table projected to 2017 by Scale AA for males and females, (e) employee participation rates of future retired employees are assumed to be 90% for medical coverage and 70% for dental coverage, participation rates of current retirees are assumed to be 100% of medical and dental coverage. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments.

11. **OTHER POST EMPLOYMENT BENEFITS (OPEB) - continued**

**Net OPEB Obligation**

The City's annual other post employment benefit cost of the current Plan year is as follows:

Annual required contribution (actuarially computed)	\$ 321,500
Interest on net benefit plan obligation	100
Adjustment to annual required contribution	<u>(200)</u>
Annual benefit plan cost	321,400
Contributions made	<u>(173,100)</u>
Increase in net benefit plan obligation	148,300
Net OPEB obligation (asset) - beginning of year	287,000
Net OPEB obligation (asset) - end of year	<u>\$ 435,300</u>

**Trend Information - Other Post Employment Benefits**

<u>Fiscal Year Ended Dec 31,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 321,500	54 %	\$ 435,300
2013	321,500	60	287,000
2012	321,500	52	157,300

**Funded Status and Funding Progress** - As of January 1, 2012, the most recent actuarial valuation available, the plan was 0% funded. The actuarial accrued liability for benefits was \$2,273,700, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,273,700. The covered payroll (annual payroll of active employees covered by the plan) was \$5,745,853, and the ratio of the UAAL to the covered payroll was 39.6%.

The schedule of funding progress is presented as RSI following the notes to the financial statements.

12. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through May 8, 2015, the date the financial statements were available to be issued.

13. **CONTINGENCIES**

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

## **REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND**  
**RELATED RATIOS - NON-UNIFORMED PLAN**

Total Pension Liability

	<u>December 31, 2014</u>
Service cost	\$ 97,634
Interest	321,017
Effect of plan changes	-
Effect of economic/demographic gains or losses	13,958
Effect of assumptions changes or inputs	-
Benefit payments, including refunds	(243,451)
Net change in total pension liability	189,158
Total pension liability - beginning of year	4,608,004
Total pension liability - end of year	<u>\$ 4,797,162</u>

Plan Fiduciary Net Position

Contributions - employer	\$ 176,589
Net investment income	263,110
Benefit payments, including refunds	(243,451)
Administrative expenses	(8,683)
Net change in plan fiduciary net position	187,565
Plan fiduciary net position - beginning of year	4,207,065
Plan fiduciary net position - end of year	<u>\$ 4,394,630</u>

Net pension liability - end of year	<u>\$ 402,532</u>
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Plan fiduciary net position as a percentage of total pension liability	<u>91.6%</u>
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Covered employee payroll	<u>\$ 1,507,473</u>
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Net pension liability as a percentage of covered payroll	<u>26.7%</u>
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Annual money-weighted average rate of return	<u>6.2%</u>
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Note: The above information is not available for years prior to the implementation of GASB 67.

**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND**  
**RELATED RATIOS - UNIFORMED PLAN**

**Total Pension Liability**

	<u>December 31, 2014</u>
Service cost	\$ 650,942
Interest on total pension liability	2,517,399
Effect of plan changes	-
Effect of economic/demographic gains or losses	43,639
Effect of assumptions changes or inputs	-
Benefit payments, including refunds	<u>(2,250,068)</u>
Net change in total pension liability	961,912
Total pension liability - beginning of year	36,417,906
Total pension liability - end of year	<u><u>\$ 37,379,818</u></u>

**Plan Fiduciary Net Position**

Contributions - employer	\$ 2,599,667
Member contributions	280,914
Net investment income	1,762,595
Benefit payments, including refunds	(2,250,068)
Administrative expenses	<u>(12,265)</u>
Net change in plan fiduciary net position	2,380,843
Plan fiduciary net position - beginning of year	27,602,346
Plan fiduciary net position - end of year	<u><u>\$ 29,983,189</u></u>

Net pension liability - end of year	<u><u>\$ 7,396,629</u></u>
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Plan fiduciary net position as a percentage of total pension liability	<u><u>80.2%</u></u>
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Covered employee payroll	<u><u>\$ 4,560,524</u></u>
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Net pension liability as a percentage of covered payroll	<u><u>162.2%</u></u>
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Annual money-weighted average rate of return	<u><u>6.08%</u></u>
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Note: The above information is not available for years prior to the implementation of GASB 67.

**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULES OF EMPLOYER CONTRIBUTIONS**

**NON-UNIFORM PLAN**

Year Ended June 30,	Actuarially Determined Contribution	Employer Actual Contribution	Contribution Deficiency (Excess)	Percentage Contributed	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
2005	\$ 110,188	\$ 110,188	\$ -	100 %	N/A	N/A
2006	120,800	120,800	-	100	N/A	N/A
2007	143,662	143,662	-	100	N/A	N/A
2008	148,695	175,000	(26,305)	118	\$ 1,709,715	10.24 %
2009	203,664	403,664	(200,000)	198	1,727,832	23.36
2010	161,199	261,199	(100,000)	162	1,802,804	14.49
2011	139,170	139,170	-	100	1,717,264	8.10
2012	200,550	200,550	-	100	1,638,495	12.24
2013	189,461	189,461	-	100	1,490,353	12.71
2014	176,589	176,589	-	100	1,507,473	11.71

**UNIFORM PLAN**

Year Ended June 30,	Actuarially Determined Contribution	Employer Actual Contribution	Contribution Deficiency (Excess)	Percentage Contributed	Covered Employee Payroll	Contributions As A Percentage Of Covered Employee Payroll
2005	\$ 983,068	\$ 983,068	\$ -	100 %	\$ 3,651,659	26.92 %
2006	1,129,573	1,129,573	-	100	3,782,856	29.86
2007	1,210,076	1,810,076	(600,000)	150	4,102,912	44.12
2008	1,055,357	2,240,000	(1,184,643)	212	4,245,175	52.77
2009	1,255,382	2,255,382	(1,000,000)	180	4,469,088	50.47
2010	1,092,786	1,692,786	(600,000)	155	4,447,537	38.06
2011	1,100,673	1,100,673	-	100	4,246,707	25.92
2012	1,182,728	1,182,728	-	100	4,107,358	28.80
2013	1,616,761	2,616,761	(1,000,000)	162	3,939,359	66.43
2014	1,599,667	2,599,667	(1,000,000)	163	4,560,524	57.00

**Notes to Schedule**

Valuation Date: December 31, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	level dollar layered
Remaining amortization period	20 years
Asset valuation method	5 year smoothed market
Inflation	2.5%
Salary increases	4.5%
Investment return	7.0%
Retirement age:	
Non-Uniform Plan	Early retirement - 55 years of age and 10 years of credited service Normal retirement - 62 years of age
Uniform Plan:	Early retirement - 50 years of age and 10 years of credited service Normal retirement - 55 years of age with 10 years of service
Mortality	RP-2000 Healthy Annuitant Mortality Tables for males and females

Note: Assumptions apply to both the Uniform Plan and Non-Uniform Plan unless otherwise noted.

**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS -**  
**OTHER POST EMPLOYEE BENEFIT PLAN**

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfund AAL (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL As A Percentage Of Covered Payroll [(b)-(a)/(c)]
1/1/2009	\$ -	\$ 716,836	\$ 716,836	- %	\$ 6,196,920	11.6 %
1/1/2012	-	2,273,700	2,273,700	-	5,745,853	39.6

Information for years prior to January 1, 2009 are unavailable.

Valuations are performed triannually.

**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>OPERATING REVENUE</b>				
Taxes	\$ 9,884,523	\$ 9,884,523	\$ 10,430,056	\$ 545,533
Licenses and permits	559,798	559,798	581,425	21,627
Fines and court costs	551,465	551,465	589,480	38,015
Charges for service	415,940	415,940	389,850	(26,090)
Miscellaneous	238,833	238,833	237,494	(1,339)
<b>TOTAL REVENUE</b>	<u>11,650,559</u>	<u>11,650,559</u>	<u>12,228,305</u>	<u>577,746</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,242,639	1,242,639	1,172,673	69,966
Police department	4,767,941	4,767,941	4,717,170	50,771
Fire department	4,994,438	4,994,438	4,924,423	70,015
Public works	1,553,036	1,553,036	1,451,420	101,616
<b>TOTAL EXPENDITURES</b>	<u>12,558,054</u>	<u>12,558,054</u>	<u>12,265,686</u>	<u>292,368</u>
<b>EXCESS OF REVENUES OVER (UNIDER) EXPENDITURES</b>	<u>(907,495)</u>	<u>(907,495)</u>	<u>(37,381)</u>	<u>870,114</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in (out)	<u>303,000</u>	<u>303,000</u>	<u>303,000</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(604,495)</u>	<u>(604,495)</u>	<u>265,619</u>	<u>\$ 870,114</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>10,063,522</u>	<u>10,063,522</u>	<u>10,063,522</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 9,459,027</u>	<u>\$ 9,459,027</u>	<u>\$ 10,329,141</u>	

**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD AND BRIDGE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>OPERATING REVENUE</b>				
Intergovernmental	\$ 886,000	\$ 886,000	\$ 880,562	\$ (5,438)
Licenses and permits	36,000	36,000	35,636	(364)
Miscellaneous income	1,679,674	1,679,674	912,528	(767,146)
<b>TOTAL REVENUE</b>	<b>2,601,674</b>	<b>2,601,674</b>	<b>1,828,726</b>	<b>(772,948)</b>
<b>EXPENDITURES</b>				
Current:				
General government	17,500	17,500	-	17,500
Public works	2,340,286	2,340,286	1,361,466	978,820
<b>TOTAL EXPENDITURES</b>	<b>2,357,786</b>	<b>2,357,786</b>	<b>1,361,466</b>	<b>996,320</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>243,888</b>	<b>243,888</b>	<b>467,260</b>	<b>223,372</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in (out)	(282,000)	(282,000)	(282,000)	-
<b>CHANGE IN FUND BALANCE</b>	<b>(38,112)</b>	<b>(38,112)</b>	<b>185,260</b>	<b>\$ 223,372</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>2,117,086</b>	<b>2,117,086</b>	<b>2,117,086</b>	
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 2,078,974</b>	<b>\$ 2,078,974</b>	<b>\$ 2,302,346</b>	

**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL IMPROVEMENTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUE</b>				
Taxes	\$ 792,500	\$ 792,500	\$ 893,366	\$ 100,866
Miscellaneous	92,686	92,686	90,398	(2,288)
TOTAL REVENUE	885,186	885,186	983,764	98,578
<b>EXPENDITURES</b>				
Capital outlay	2,999,220	3,124,220	2,902,371	221,849
Debt service	-	-	118,759	(118,759)
TOTAL EXPENDITURES	2,999,220	3,124,220	3,021,130	103,090
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,114,034)	(2,239,034)	(2,037,366)	\$ 201,668
<b>FUND BALANCE - BEGINNING OF YEAR</b>	2,799,156	2,799,156	2,799,156	
<b>FUND BALANCE - END OF YEAR</b>	\$ 685,122	\$ 560,122	\$ 761,790	

**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**STORM WATER PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>OPERATING REVENUE</b>				
Taxes	\$ 932,000	\$ 932,000	\$ 1,051,019	\$ 119,019
Miscellaneous	1,695,540	1,695,540	713,701	(981,839)
TOTAL REVENUE	<u>2,627,540</u>	<u>2,627,540</u>	<u>1,764,720</u>	<u>(862,820)</u>
<b>EXPENDITURES</b>				
Public works	50,000	50,000	-	50,000
Capital outlay	2,681,818	2,681,818	1,367,263	1,314,555
TOTAL EXPENDITURES	<u>2,731,818</u>	<u>2,731,818</u>	<u>1,367,263</u>	<u>1,364,555</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(104,278)</u>	<u>(104,278)</u>	<u>397,457</u>	<u>501,735</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in (out)	<u>(21,000)</u>	<u>(21,000)</u>	<u>(21,000)</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(125,278)</u>	<u>(125,278)</u>	<u>376,457</u>	<u>\$ 501,735</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>6,115,493</u>	<u>6,115,493</u>	<u>6,115,493</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 5,990,215</u>	<u>\$ 5,990,215</u>	<u>\$ 6,491,950</u>	



## **SUPPLEMENTAL INFORMATION**

**CITY OF LADUE, MISSOURI**  
**SCHEDULE OF GENERAL FUND EXPENDITURES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>PUBLIC WORKS</u>	<u>TOTAL</u>
2005	\$ 995,182	\$ 6,536,243	\$ 1,488,839	\$ 9,020,264
2006	989,611	6,942,873	1,744,046	9,676,530
2007	1,133,386	8,058,174	1,593,791	10,785,351
2008	1,056,960	8,562,907	1,646,286	11,266,153
2009	1,093,362	8,652,613	1,694,407	11,440,382
2010	1,130,866	8,060,100	1,629,802	10,820,768
2011	1,285,937	7,498,103	1,600,431	10,384,471
2012	1,262,260	8,015,230	1,708,772	10,986,262
2013	1,086,831	9,371,703	1,417,696	11,876,230
2014	1,172,673	9,641,593	1,451,420	12,265,686

Note: Excludes capital expenditures

**CITY OF LADUE, MISSOURI**  
**SCHEDULE OF GENERAL FUND REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>LICENSES AND PERMITS</u>	<u>CHARGES FOR SERVICES</u>	<u>FINES AND FORFEITS</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2005	\$ 8,158,556	\$ 426,170	\$ 183,112	\$ 444,620	\$ 170,796	\$ 9,383,254
2006	8,396,099	448,714	221,208	659,717	261,049	9,986,787
2007	9,257,637	472,669	250,835	645,149	432,168	11,058,458
2008	9,669,670	447,590	242,753	591,044	202,660	11,153,717
2009	8,659,549	347,368	260,518	737,385	179,902	10,184,722
2010	9,251,296	451,188	395,724	777,044	115,070	10,990,322
2011	9,569,863	466,980	411,831	621,400	156,709	11,226,783
2012	10,115,868	708,296	363,379	445,275	226,763	11,859,581
2013	10,007,153	581,935	412,083	522,134	252,270	11,775,575
2014	10,430,056	581,425	389,850	589,480	237,494	12,228,305

**CITY OF LADUE, MISSOURI**  
**SCHEDULE OF PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX		PERCENT OF TOTAL TAX		OUTSTANDING TAXES		PERCENT OF OUTSTANDING TAXES TO TAX LEVY	
					COLLECTIONS THROUGH FEB 28	\$	COLLECTIONS TO TAX LEVY	%	AS OF DEC 31	\$	AS OF DEC 31	%
2005	\$ 4,066,234	\$ 3,242,379	* 79.7	\$ 885,573	\$ 4,127,952	\$	101.5	%	\$ 762,004	\$	* 18.7	%
2006	4,181,744	3,119,816	* 74.6	754,442	3,874,258		92.6		995,516		* 23.8	
2007	4,310,288	3,264,400	* 75.7	996,540	4,260,940		98.9		987,028		* 22.9	
2008	4,328,500	3,467,429	* 80.1	983,475	4,450,904		102.8		833,688		* 19.3	
2009	4,246,316	2,017,857	* 47.5	1,900,332	3,918,189		92.3		2,228,459		* 52.5	
2010	4,323,146	2,466,867	* 57.1	2,224,421	4,077,884		94.3		1,898,822		* 43.9	
2011	4,351,285	2,291,258	* 52.7	1,853,385	4,049,819		93.1		2,124,234		* 48.8	
2012	4,370,876	2,503,878	* 57.3	1,708,195	4,212,073		96.4		1,924,155		* 44.0	
2013	4,385,108	1,889,946	* 43.1	2,161,113	4,051,059		92.4		2,495,162		* 56.9	
2014	4,156,040	2,131,079	* 51.3	1,675,370	3,806,449		91.6		1,994,251		* 48.0	

\* These figures include amounts received by December 31. No January receipts are reflected in these figures.

***CITY OF LADUE, MISSOURI***  
**MISCELLANEOUS STATISTICAL DATA**  
**AS OF DECEMBER 31, 2014**

Date of Incorporation	December 1, 1936
Form of Government	Mayor - Board of Aldermen
Area	8.55 square miles
Population (2010 census)	8,521
Homes (2010 census)	3,377
Miles of Streets	
Public	23
Private	58
Fire Protection:	
Number of:	
Stations	2
Firemen and officers	31
Police Protection:	
Number of:	
Stations	1
Policemen and officers	27
Communications personnel	5
Public Works	
Number of:	
Buildings	3
Personnel and officers	14
Education:	
Number of:	
Elementary - public	2
Elementary - private	3
Middle school - public	1
High school - public	1
High School - private	2
Special education	1
Churches	6
Building permits issued for the year ended December 31, 2014	392
Recreation and Culture:	
Number of:	
Parks	2 with approximately 66.7 acres
Libraries	1
Private country clubs	6
Employees	84