

***CITY OF LADUE, MISSOURI***

***FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2011***

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

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## INDEPENDENT AUDITORS' REPORT



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

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Ladue, Missouri, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

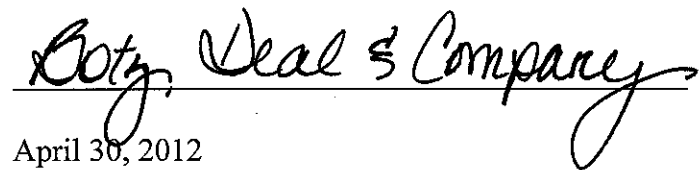
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the City of Ladue, Missouri, as of December 31, 2011, and the respective changes in the financial position where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated, April 30, 2012, on our consideration of the City of Ladue, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 34 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Ladue, Missouri's basic financial statements as a whole. The supplemental information on pages 40 through 43 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements themselves, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
April 30, 2012

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

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, 2011. It should be read in conjunction with the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- From a government-wide overview, the total net assets of the City of Ladue grew significantly (18%) from \$31.2 million (2010) to \$36.8 million (2011). This growth reflected governmental activities revenues of \$17.4 million less expenses of \$11.8 million. Revenues saw significant increases in total capital and operating grants and contributions received, and in utility gross receipts taxes. Capital grants included monies received from MODOT (federal pass thru) for the Clayton road bridge (replacement) over Deer Creek project and the Warson road (phase 3) mill/overlay repaving project. Contributions included the value of the work by MODOT/St. Louis County for the milling/repaving of Clayton, Ladue, and McKnight roads as part of the interstate I-64 reconstruction project intergovernmental agreement. Telephone utility gross receipts taxes were favorably impacted by increased revenue primarily from Sprint Spectrum LP.
- The General Fund recorded a surplus (revenues less expenditures) of \$1,142,312 vs. an anticipated budget surplus of \$109,114. This \$1,033,198 favorable variance was led by total revenues that exceeded budget by \$830,480 (8%) and expenditures that were below budget by \$202,718 (-2%). The fund balance for the General Fund grew from \$7,548,548 at the beginning of the year to \$8,690,860 at the end of the year.
- The Road and Bridge Fund recorded a surplus (revenues less expenditures) of \$267,346 vs. an anticipated budget deficit of (-\$387,793). This \$655,139 favorable variance was led by total expenditures that were below budget by \$870,014 and revenues that were below budget by \$214,875. The fund balance for the Road and Bridge Fund grew from \$1,168,160 at the beginning of the year to \$1,435,506 at the end of the year.
- The Capital Improvement Fund recorded a surplus (revenues less expenditures) of \$406,292 vs. an anticipated budget deficit of (-\$205,255). This \$611,547 favorable variance was led by total expenditures that were below budget by \$564,246 and revenues that were below budget by \$47,301. The fund balance for the Capital Improvement Fund grew from \$2,232,988 at the beginning of the year to \$2,639,280 at the end of the year.
- The Storm Water Fund recorded a surplus (revenues less expenditures) of \$810,143 vs. an anticipated budget surplus of \$215,500. This \$594,643 favorable variance was led by total expenditures that were below budget by \$490,925 and revenues that were above budget by \$103,718. The fund balance for the Storm Water Fund grew from \$3,835,984 at the beginning of the year to \$4,646,127 at the end of the year.
- The Non Uniform Retirement Fund completed the year with assets of \$3,293,456. The City contributed \$139,170 (actuarial required) to the plan during the year. The funded ratio of the plan moved up from 87.9% at 1/1/2010 to 90.7% at 1/1/2011. The Uniform Pension Fund completed the year with assets of \$21,460,433. The City contributed \$1,100,673 (actuarial required) and employees contributed \$131,235 to the plan during the year. The funded ratio of the plan moved up from 71.9% at 1/1/2010 to 73.0% at 1/1/2011.

## **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 Assets 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 assets.
- 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 assets were \$36,768,779 as of December 31, 2011. This analysis focuses on the net assets (table 1), and changes in general revenues (table 2) and significant expenses of the City's governmental activities

The City's net assets consist of its investment in capital assets (e.g., land, buildings, 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**

	2011	2010	Increase (Decrease)
Current and other assets	\$ 22,096,300	\$ 19,456,834	\$ 2,639,466
Capital assets	16,971,821	14,167,546	2,804,275
Total assets	39,068,121	33,624,380	5,443,741
Current and other liabilities	624,913	664,755	(39,842)
Long-term liabilities	1,674,429	1,790,569	(116,140)
Total liabilities	2,299,342	2,455,324	(155,982)
Net assets:			
Invested in capital assets, net of related debt	16,538,493	13,635,569	2,902,924
Restricted	8,720,913	7,237,132	1,483,781
Unrestricted	11,509,373	10,296,357	1,213,016
Total net assets	\$ 36,768,779	\$ 31,169,058	\$ 5,599,721

Governmental activities increased the City's net assets by \$5,599,721. The key elements of this increase are as follows:

**Table 2**

	2011	2010	Increase (Decrease)
Revenues:			
Program revenues:			
Charges for service	\$ 1,537,435	\$ 1,661,782	\$ (124,347)
Capital and operating grants	3,574,749	753,533	2,821,216
General revenues:			
Taxes	12,253,100	11,801,844	451,256
Interest income	76,597	78,383	(1,786)
Miscellaneous	54,983	80,314	(25,331)
Gain (loss) on sale of capital assets	-	9,496	(9,496)
Total revenues	17,496,864	14,385,352	3,111,512
Expenses:			
General government	\$ 1,305,925	\$ 1,156,094	\$ 149,831
Police department	3,787,224	3,734,795	52,429
Fire department	4,238,426	4,037,029	201,397
Public works	2,468,862	2,598,952	(130,090)
Interest and fiscal charges	20,109	-	20,109
Total expenses	11,820,546	11,526,870	293,676
Increase in net assets	5,599,721	2,858,482	2,741,239
Net assets, beginning of year	31,169,058	28,310,576	2,858,482
Net assets, end of year	\$ 36,768,779	\$ 31,169,058	\$ 5,599,721

Total 2011 revenues shown in Table 2 were \$17,496,864 compared with total revenues of \$14,385,352 in 2010. The increase in total revenues of \$3,111,512 represents an overall increase in revenue of 22%. This significant increase in government-wide revenue primarily reflects:

- A net increase of \$2,821,216 in total capital and operating grants and contributions. Capital grants include monies received from MODOT (federal pass thru) for the Clayton road bridge (replacement) over Deer Creek project and the Warson road (phase 3) mill/overlay repaving project. Contributions include the value of the work (in kind contribution of \$2,749,500) by MODOT/St. Louis County for the milling and repaving of Clayton, Ladue, and McKnight roads as part of the interstate I-64 reconstruction project intergovernmental agreement.
- A net increase of \$452,343 in utility taxes which reflects increases in electricity (9.0%) and water (11.5%) gross receipts taxes and a significant increase of \$380,752 in telephone gross receipts taxes primarily from Sprint Spectrum LP.

Total government-wide expenses increased \$293,676 from \$11,526,870 in 2010 to \$11,820,546 in 2011. The total increase was primarily due to increases in special pay in the administration and fire departments reflecting five one time payouts at retirement/termination; increased legal expenses (administration); and increased capital asset depreciation (fire department) reflecting the addition of the capital lease fire department pumper truck in the fall of 2010.

### 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 2011	Fiscal Year Ending 2010	Increase (Decrease)	Percentage Change	
Taxes	\$ 12,098,635	\$ 11,868,514	\$ 230,121	1.9	%
Licenses and permits	504,204	489,014	15,190	3.1	
Fines and court costs	621,400	777,044	(155,644)	(20.0)	
Charges for service	411,831	395,724	16,107	4.1	
Investment income	76,597	78,383	(1,786)	(2.3)	
Miscellaneous	880,232	852,343	27,889	3.3	
Total General Revenues	\$ <u>14,592,899</u>	\$ <u>14,461,022</u>	\$ <u>131,877</u>	0.9	%

The taxes revenue category as a whole increased \$230,121 due to the gains previously mentioned in utility gross receipts taxes (\$452,343 increase over 2010). However, these gains were tempered by moderate decreases in sales tax receipts (-\$82,221 decrease from 2010) and property tax receipts (-\$127,284 decrease from 2010). Fines and court costs were down (-\$155,644) from 2010 reflecting manning levels in the police department (which were being restored towards the end of 2011), and a shift in priorities to more subdivision patrols vs. traffic patrols.



## **THE CITY'S FUNDS**

At the close of the City's fiscal year on December 31, 2011, the governmental funds of the City reported a combined fund balance of \$17,411,773. This ending balance reflects an increase in total fund balances of \$2,626,093 in the City's funds. Refer to page 14 for individual fund results. The City did not amend any of the original budgets for 2011.

### **General Fund**

Overall, the financial results for the General Fund were significantly favorable in 2011, especially compared to budget. The General Fund recorded a surplus (revenues less expenditures) of \$1,142,312 vs. an anticipated budget surplus of \$109,114. This \$1,033,198 favorable variance was led by total revenues that exceeded budget by \$830,480 (+8%) and expenditures that were below budget by \$202,718 (-2%). The fund balance for the General Fund grew from \$7,548,548 at the beginning of the year to \$8,690,860 at the end of the year reflecting the surplus generated during the year. \$8,562,880 (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 significant favorable variances (vs. budget) in electricity utility gross receipts tax (\$115,910), telephone utility gross receipts tax (\$607,157), and water utility gross receipts tax (\$60,649). Telephone utility taxes have seen significant growth from Sprint Spectrum LP. Expenditure results were favorable to budget even though some areas (i.e. fuel) remain under serious pressure. The police and public works departments both finished the year below budget. The police department personnel costs were reflective of lower than budgeted manning levels earlier in the year. This was closed to within one headcount by the end of the year. The City made all of its actuarial required contributions to the Uniform and Non Uniform pension and retirement plans during the year (based on the January 1, 2011 report) and these contributions were less than the budget assumption by about \$186,000.

### **Road and Bridge Fund**

The Road and Bridge Fund recorded a surplus (revenues less expenditures) of \$267,346 vs. an anticipated budget deficit of (-\$387,793). This \$655,139 favorable variance was led by total expenditures that were below budget by \$870,014 and revenues that were below budget by \$214,875. These results reflect anticipated spending on the McKnight road project that did not occur (deferred forward) and lower than budgeted grant revenue receipts (and expenditures) for the Warson road (phase 3) project. The fund balance (all restricted) for the Road and Bridge Fund grew from \$1,168,160 at the beginning of the year to \$1,435,506 at the end of the year based on the surplus generated during the year.

### **Capital Improvement Fund**

The Capital Improvement Fund recorded a surplus (revenues less expenditures) of \$406,292 vs. an anticipated budget deficit of (-\$205,255). This \$611,547 favorable variance was led by total expenditures that were below budget by \$564,246 and revenues that were below budget by \$47,301. These results reflect anticipated spending on the city hall computer servers, a new ambulance, and the Ladue/Warson road sidewalks (MICDS) projects that did not occur (deferred forward). The fund balance (all restricted) for the Capital Improvement Fund grew from \$2,232,988 at the beginning of the year to \$2,639,280 at the end of the year based on the surplus generated during the year.

## Storm Water Fund

The Storm Water Fund recorded a surplus (revenues less expenditures) of \$810,143 vs. an anticipated budget surplus of \$215,500. This \$594,643 favorable variance was led by total expenditures that were below budget by \$490,925 and revenues that were above budget by \$103,718. These results reflect anticipated spending on the McKnight road project that did not occur (deferred forward) and higher than budgeted grant revenue receipts for the Clayton road bridge project. The fund balance (all restricted) for the Storm Water Fund grew from \$3,835,984 at the beginning of the year to \$4,646,127 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 \$3,293,456. The City contributed \$139,170 (actuarial required) to the plan during the year. The Fund experienced a net loss of (-\$14,178) over the year reflecting the poor investment returns climate in 2011. The (actuary determined) funded ratio (assets to liabilities) of the plan moved up from 87.9% at 1/1/2010 to 90.7% at 1/1/2011.

The Uniform Pension Fund completed the year with assets of \$21,460,433. The City contributed \$1,100,673 (actuarial required) and employees contributed \$131,235 to the plan during the year. The Fund experienced a net loss of (-\$758,497) over the year reflecting the poor investment returns climate in 2011. The (actuary determined) funded ratio (assets to liabilities) of the plan moved up from 71.9% at 1/1/2010 to 73.0% at 1/1/2011.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of the fiscal year 2011, the City had \$24,549,980 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 \$3,741,095 or 18% over the prior fiscal year.

**Table 4**

	2011	2010	Increase (Decrease)
Land	\$ 316,425	\$ 316,425	\$ -
Buildings	5,014,689	4,985,002	29,687
Improvements	1,282,532	911,577	370,955
Machinery and equipment	2,702,621	2,688,444	14,177
Vehicles	2,591,720	2,611,214	(19,494)
Infrastructure	12,553,169	7,494,248	5,058,921
Construction in progress	88,824	1,801,975	(1,713,151)
Total	<u>\$ 24,549,980</u>	<u>\$ 20,808,885</u>	<u>\$ 3,741,095</u>

The most significant additions to Capital assets this fiscal year were as follows:

- Clayton road bridge over Deer Creek replacement: \$1,344,789
- Warson road (phase 3) mill/overlay repaving: \$817,285
- McKnight road mill/overlay repaving (St Louis County in kind contribution): \$347,700
- Clayton road mill/overlay repaving (St Louis County in kind contribution): \$1,213,500
- Ladue road mill/overlay repaving (St Louis County in kind contribution): \$1,194,500
- Mulch site storm water upgrade improvements (phase 1): \$347,994
- Des Peres avenue culvert replacement over Sebago Creek: \$95,746
- Ladue road (Schnucks center to Lorenzo) sidewalks: \$45,402
- Clayton road business district lighting improvements: \$22,961
- (1) diesel powered leaf vac: \$22,355
- (3) police patrol cars: \$68,244
- (1) police command vehicle: \$25,675
- (1) public works 1 ton dump truck: \$44,496

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

The City of Ladue expects that the overall economic recovery which began in 2011 will continue slowly into 2012. In the interest of generating a conservative budget, key revenue streams like property taxes and sales taxes are, for the most part, forecast flat to 2011 actual results. Key expenditure areas contain appropriate increases (like motor fuel, utility costs, insurance, and pension) where warranted. The City has undertaken several forward looking studies including the development of a business corridors strategic plan, the evaluation and feasibility of constructing additional sidewalks, the replacement of its aging firehouses, and possible structural changes to its employee pension and retirement plans.

General Fund revenues in 2012 are budgeted at \$11,269,939 (excludes \$300,000 Road and Bridge interfund transfer), which are comparable to the 2011 actual of \$11,226,783. General Fund expenditures are budgeted at \$10,845,306 which is approximately \$461,000 (4.4%) higher than 2011 actual levels. These budget expenditure levels assume increases in average motor fuel costs (22%), electricity and water/sewer costs (16%), property/casualty/liability insurance (14%), and City pension/retirement (actuary estimate) contributions (22%). Taken together, the General Fund is projected to record a surplus (revenues less expenditures) of approximately \$725,000 in 2012 which would result in an ending fund (reserve) balance of approximately \$9,415,000.

The City expects to continue engineering and related work for the McKnight road (bridge/culvert replacements, road repaving, sidewalks) and Litzsinger road (small culvert replacement, road repaving, sidewalks) projects in the Road and Bridge and Storm Water Funds in 2012. Total revenues of \$1,058,209 and expenditures of \$411,728 (excludes \$300,000 Road and Bridge interfund transfer) are projected in the Road and Bridge Fund leading to an expected surplus of approximately \$346,000 and an ending fund (reserve) balance of approximately \$1,782,000. Total revenues of \$1,007,113 and expenditures of \$382,391 are projected in the Storm Water Fund leading to a surplus of approximately \$625,000 and an ending fund (reserve) balance of approximately \$5,271,000.

The 2012 Capital Improvement Fund budget envisions total 2012 expenditures of \$1,303,189 which includes \$357,624 to complete the Ladue and Warson roads sidewalks project, \$205,000 for a new ambulance, \$92,000 for 4 new Police vehicles (pre-trade), and \$93,250 (pre-trade) to replace 3 other departments' vehicles. Total revenues are budgeted at approximately \$1,100,000 which together with expenditures would lead to an ending fund (reserve) balance of approximately \$2,435,000.

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

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

If you have questions about this report or need additional financial information, please contact Rick Jett, Director of Finance of the City of Ladue, Missouri.

**CITY OF LADUE, MISSOURI**

**STATEMENT OF NET ASSETS**

**DECEMBER 31, 2011**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 4,612,430
Investments	10,089,272
Taxes receivable:	
Property	2,124,235
Other	1,473,503
Inventory	44,403
Prepaid insurance	55,817
Net pension asset	3,696,640
Capital assets - net	
Nondepreciable	405,249
Depreciable	16,566,572
TOTAL ASSETS	<u>39,068,121</u>
<b>LIABILITIES</b>	
Accounts payable	251,769
Accrued employee benefits	20,670
Escrow payable	236,254
Deferred revenue	113,520
Net other post employment benefit obligation	2,700
Noncurrent liabilities:	
Due in one year	799,263
Due in more than one year	875,166
TOTAL LIABILITIES	<u>2,299,342</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	16,538,493
Restricted for capital improvements	8,720,913
Unrestricted	11,509,373
TOTAL NET ASSETS	<u>\$ 36,768,779</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, 2011**

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Change in Net Assets
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
General government	\$ 1,305,925	\$ 535,974	\$ -	\$ -	\$ (769,951)
Police department	3,787,224	768,949	112,103	-	(2,906,172)
Fire department	4,238,426	232,512	-	20,976	(3,984,938)
Public works	2,468,862	-	-	3,441,670	972,808
Interest and fiscal charges	20,109	-	-	-	(20,109)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$11,820,546</b>	<b>\$ 1,537,435</b>	<b>\$ 112,103</b>	<b>\$ 3,462,646</b>	<b>(6,708,362)</b>
Taxes:					
Sales					3,745,558
Utility					2,850,284
Property					4,421,368
Franchise					203,607
Other					955,686
Interest income					76,597
Other miscellaneous revenue					54,983
<b>TOTAL GENERAL REVENUES</b>					<b>12,308,083</b>
<b>CHANGE IN NET ASSETS</b>					<b>5,599,721</b>
<b>NET ASSETS BEGINNING OF YEAR</b>					<b>31,169,058</b>
<b>NET ASSETS END OF YEAR</b>					<b>\$ 36,768,779</b>

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

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

	General Fund	Road and Bridge Fund	Capital Improvement Fund	Storm Water Projects Fund	Total
<b>ASSETS AND OTHER DEBITS</b>					
Cash and cash equivalents	\$ 2,087,210	\$ 640,242	\$ 882,472	\$ 1,002,506	\$ 4,612,430
Investments	4,422,356	501,051	1,652,092	3,513,773	10,089,272
Taxes receivable:					
Property	2,124,235	-	-	-	2,124,235
Other	847,862	344,337	126,594	154,710	1,473,503
Inventory	44,403	-	-	-	44,403
Prepaid insurance	55,817	-	-	-	55,817
<b>TOTAL ASSETS</b>	<b>\$ 9,581,883</b>	<b>\$ 1,485,630</b>	<b>\$ 2,661,158</b>	<b>\$ 4,670,989</b>	<b>\$ 18,399,660</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 154,905	\$ 50,124	\$ 21,878	\$ 24,862	\$ 251,769
Accrued employee benefits	20,670	-	-	-	20,670
Escrow payable	236,254	-	-	-	236,254
Deferred revenue	479,194	-	-	-	479,194
<b>TOTAL LIABILITIES</b>	<b>891,023</b>	<b>50,124</b>	<b>21,878</b>	<b>24,862</b>	<b>987,887</b>
<b>FUND BALANCES:</b>					
Non-spendable:					
Prepaid items	55,817	-	-	-	55,817
Inventory	44,403	-	-	-	44,403
Restricted:					
Road and bridge fund	-	1,435,506	-	-	1,435,506
Capital improvement fund	-	-	2,639,280	-	2,639,280
Storm water projects fund	-	-	-	4,646,127	4,646,127
Assigned:					
Business districts study	27,760	-	-	-	27,760
Unassigned	8,562,880	-	-	-	8,562,880
<b>TOTAL FUND BALANCES</b>	<b>8,690,860</b>	<b>1,435,506</b>	<b>2,639,280</b>	<b>4,646,127</b>	<b>17,411,773</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,581,883</b>	<b>\$ 1,485,630</b>	<b>\$ 2,661,158</b>	<b>\$ 4,670,989</b>	<b>\$ 18,399,660</b>

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

**CITY OF LADUE, MISSOURI**  
RECONCILIATION OF THE STATEMENT OF NET ASSETS  
OF GOVERNMENTAL FUNDS TO THE BALANCE SHEET  
AS OF DECEMBER 31, 2011

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

Total fund balance per balance sheet	\$ 17,411,773
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	16,971,821
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	365,674
Net pension assets are not current financial resources and, therefore, are not reported in the funds.	3,696,640
Net other post employment liability does not require the use of current financial resources and, therefore, is not reported in the funds.	(2,700)
Long-term liabilities not due and payable in the current period and therefore, are not reported in the funds.	<u>(1,674,429)</u>
Net assets of governmental activities	<u><u>\$ 36,768,779</u></u>

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



**CITY OF LADUE, MISSOURI**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	General Fund	Road and Bridge Fund	Capital Improvement Fund	Storm Water Projects Fund	Total
<b>REVENUES</b>					
Taxes	\$ 9,569,863	\$ 871,095	\$ 761,601	\$ 896,076	\$ 12,098,635
Licenses and permits	466,980	37,224	-	-	504,204
Fines and court costs	621,400	-	-	-	621,400
Charges for service	411,831	-	-	-	411,831
Investment income	33,480	4,573	12,132	26,412	76,597
Miscellaneous	123,229	441,305	74,968	240,730	880,232
<b>TOTAL REVENUES</b>	<u>11,226,783</u>	<u>1,354,197</u>	<u>848,701</u>	<u>1,163,218</u>	<u>14,592,899</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,285,937	-	-	-	1,285,937
Police department	3,521,276	-	-	-	3,521,276
Fire department	3,976,827	-	-	-	3,976,827
Public works	1,600,431	136,502	-	-	1,736,933
Capital outlay	-	650,349	323,651	353,075	1,327,075
Debt service	-	-	118,758	-	118,758
<b>TOTAL EXPENDITURES</b>	<u>10,384,471</u>	<u>786,851</u>	<u>442,409</u>	<u>353,075</u>	<u>11,966,806</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	842,312	567,346	406,292	810,143	2,626,093
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfer in (out)	300,000	(300,000)	-	-	-
<b>CHANGE IN FUND BALANCE</b>	1,142,312	267,346	406,292	810,143	2,626,093
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>7,548,548</u>	<u>1,168,160</u>	<u>2,232,988</u>	<u>3,835,984</u>	<u>14,785,680</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 8,690,860</u>	<u>\$ 1,435,506</u>	<u>\$ 2,639,280</u>	<u>\$ 4,646,127</u>	<u>\$ 17,411,773</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, 2011

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

Change in fund balance-total governmental funds	\$ 2,626,093
The acquisition of capital assets requires the use of current financial resources, but has no effect on net assets.	3,923,787
The cost of capital assets is allocated over their estimated useful lives and are reported as depreciation expense in the statement of activities.	(1,092,910)
The net effect of other miscellaneous transactions involving capital assets (ie. sales or trade-ins) that decrease net assets.	(26,602)
Revenues in the Statement of Activities that do not provide current financial resources, are not reported as revenue in the governmental funds.	77,868
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.	(24,655)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	98,649
Compensated absences do not require the use of current financial resources and, therefore, are not reported as an expenditure in governmental funds.	<u>17,491</u>
Change in net assets of governmental activities	<u><u>\$ 5,599,721</u></u>

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

**CITY OF LADUE, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2011**

**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	<u>589,203</u>	<u>\$ 142,039</u>	<u>\$ 731,242</u>
Accrued interest receivable	<u>27,808</u>	<u>4,284</u>	<u>32,092</u>
Investments - at fair value:			
Bonds funds	7,703,833	1,188,104	8,891,937
Stock funds	11,287,366	1,693,447	12,980,813
Hedge funds	1,049,750	150,280	1,200,030
Traded real estate	374,103	53,172	427,275
Commodities	<u>428,370</u>	<u>62,130</u>	<u>490,500</u>
Total Investments	<u>20,843,422</u>	<u>3,147,133</u>	<u>23,990,555</u>
 TOTAL ASSETS	 <u>\$ 21,460,433</u>	 <u>\$ 3,293,456</u>	 <u>\$ 24,753,889</u>

**LIABILITIES AND NET ASSETS**

NETASSETS			
Net assets held in trust for pension benefits	<u>\$ 21,460,433</u>	<u>\$ 3,293,456</u>	<u>\$ 24,753,889</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 21,460,433</u>	 <u>\$ 3,293,456</u>	 <u>\$ 24,753,889</u>

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

**CITY OF LADUE, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	PENSION TRUST		
	FIREMEN'S AND POLICEMEN'S PENSION FUND	PENSION FUND NON-UNIFORMED EMPLOYEES	TOTAL
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 1,100,673	\$ 139,170	\$ 1,239,843
Plan member	131,235	-	131,235
Total Contributions	1,231,908	139,170	1,371,078
Investment return:			
Net appreciation in fair value of investments	(766,146)	(109,789)	(875,935)
Interest and dividends	682,269	100,954	783,223
Less: investment expenses	(61,665)	(8,205)	(69,870)
Net Investment Return	(145,542)	(17,040)	(162,582)
TOTAL ADDITIONS	1,086,366	122,130	1,208,496
<b>DEDUCTIONS</b>			
Benefit payments	1,791,787	100,928	1,892,715
Refunds to terminated employees	15,560	-	15,560
Administrative expense	37,516	35,380	72,896
TOTAL DEDUCTIONS	1,844,863	136,308	1,981,171
<b>CHANGE IN NET ASSETS</b>	(758,497)	(14,178)	(772,675)
<b>NET ASSETS - BEGINNING OF YEAR</b>	22,218,930	3,307,634	25,526,564
<b>NET ASSETS - END OF YEAR</b>	\$ 21,460,433	\$ 3,293,456	\$ 24,753,889

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

**CITY OF LADUE, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011**

**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. 14, *The Financial Reporting Entity* (GASB 14), 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 assets 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 assets have been eliminated.

*Statement of Net Assets* -The statement of net assets 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 assets and reports depreciation expense in the statement of activities. The net assets of the City are broken down into three categories 1) invested in capital assets, net of related debt; 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 assets 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 - 5 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 ASSETS AND FUND EQUITY**

In government-wide financial statements net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal on related debt. Net assets invested in capital assets, net of related debt does not include the unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments). All other net assets 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 assets reports \$8,720,913 of restricted net assets, all 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.

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; however, any revisions that alter the total expenditures of any fund 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.

**Cash** - At year-end, the carrying value of the City's deposits, including certificates of deposits, was \$13,818,153 and the bank balances were \$13,834,654. 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.

### 3. CASH AND TEMPORARY INVESTMENTS - continued

**Investment** - As of December 31, 2011, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>Rating By S &amp; P</u>
Repurchase Agreements	\$ 883,549	\$ 883,549	N/A

**Interest Rate Risk** - For an investment, the interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Under the City's investment policy, this risk is minimized through structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in shorter - term securities.

**Custodial Credit Risk** - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's repurchase agreements are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the City's name. The City's policy is to investment in either insured, collateralized or government backed securities.

**Concentration of Credit Risk** - Under the City's investment policy, this risk is addressed through diversifying the portfolio by limiting investment allocation percentages on certain types of investments, in an effort to minimize potential losses on individual securities.

**Credit Risk** - For an investment, the credit risk is the risk of loss due to the failure of the security issuer or backer. Under the City's investment policy, this risk is minimized by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City does business.

### 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, 2011, upon which the 2011 levy was based for real, personal and public utility property, was \$622,550,599. 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	\$ 0.710
Commercial	0.744
Agricultural	0.991
Personal property	0.756

## 5. 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, 2011:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$300,000	\$ -
Road and Bridge Fund	-	300,000

## 6. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended December 31, 2011 is as follows:

	<u>Balance, Beginning Of Year</u>	<u>Transfers and Additions</u>	<u>Transfer and Deletions</u>	<u>Balance, End Of Year</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 316,425	\$ -	\$ -	\$ 316,425
Construction in process	1,801,975	3,693,764	( 5,406,915)	88,824
Total capital assets, not being depreciated	<u>2,118,400</u>	<u>3,693,764</u>	<u>( 5,406,915)</u>	<u>405,249</u>
Capital assets, being depreciated:				
Buildings	4,985,002	29,687	-	5,014,689
Improvements	911,577	370,955	-	1,282,532
Machinery and equipment	2,688,444	38,955	( 24,778)	2,702,621
Vehicles	2,611,214	138,420	( 157,914)	2,591,720
Infrastructure	7,494,248	5,058,921	-	12,553,169
Total capital assets, being depreciated	<u>18,690,485</u>	<u>5,636,938</u>	<u>( 182,692)</u>	<u>24,144,731</u>
Less accumulated depreciation for:				
Buildings	(1,837,355)	( 126,676)	-	(1,964,031)
Improvements	( 603,347)	( 50,631)	-	( 653,978)
Machinery and equipment	(1,826,167)	( 234,724)	24,767	(2,036,124)
Vehicles	(1,370,861)	( 241,243)	131,322	(1,480,782)
Infrastructure	(1,003,609)	( 439,635)	-	(1,443,244)
Total accumulated Depreciation	<u>(6,641,339)</u>	<u>( 1,092,909)</u>	<u>156,089</u>	<u>(7,578,159)</u>
Total capital assets, being depreciated, net	<u>12,049,146</u>	<u>4,544,029</u>	<u>( 26,603)</u>	<u>16,566,572</u>
Total governmental activities	<u>\$ 14,167,546</u>	<u>\$ 8,237,793</u>	<u>\$ ( 5,433,518)</u>	<u>\$ 16,971,821</u>

6. **CAPITAL ASSETS - continued**

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

Governmental activities:

General government	\$ 52,366
Police department	206,985
Fire department	179,659
Public works	<u>653,899</u>
Total depreciation governmental activities	\$ <u>1,092,909</u>

7. **LONG-TERM LIABILITIES**

	Balance, Beginning Of Year	Additions	Reductions	Balance, End Of Year	Due Within One Year
Governmental activities:					
Accrued vacation	\$ 429,460	\$ 428,884	\$ ( 429,460)	\$ 428,884	\$ 428,884
Accrued sick leave	829,132	266,797	( 283,712)	812,217	268,000
Capital lease	<u>531,977</u>	<u>-</u>	<u>( 98,649)</u>	<u>433,328</u>	<u>102,379</u>
Subtotal governmental activities	\$ <u>1,790,569</u>	\$ <u>695,681</u>	\$ <u>( 811,821)</u>	\$ <u>1,674,429</u>	\$ <u>799,263</u>

Funds to retire accrued vacation and sick leave come from the General Fund.

**Capital Leases**

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 \$60,352 as of December 31, 2011. 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, 2011, the outstanding principal and other information on the City's leases consists of the following:

Lessor	Interest Rate	Maturity	Total Annual Payment	Balance
OskKosh	3.78%	February 2015	\$ 118,759	\$ 433,328

7. **LONG-TERM LIABILITIES-** continued

Future minimum lease payments are as follows:

2012	\$ 118,759
2013	118,759
2014	118,759
2015	<u>118,759</u>
Total payments	475,036
Portion representing interest	<u>( 41,708)</u>
Net present value	\$ <u><u>433,328</u></u>

8. **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, 2011, the date of the last actuarial valuation:

	<u>Uniformed Plan</u>	<u>Non-Uniformed Plan</u>
Retirees and beneficiaries currently receiving benefits	54	13
Terminated plan members entitled to but not yet receiving benefits	3	2
Active plan members	<u>57</u>	<u>29</u>
TOTAL	<u><u>114</u></u>	<u><u>44</u></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. Neither plan issues separate stand alone financial statements. The financial information is included as Pension Trust Funds in the City's basic financial statements.

## 8. EMPLOYEE RETIREMENT SYSTEMS - continued

### Contributions

Plan members are required to contribute 3% of their annual pay. 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.

### 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	\$ 1,100,673
Interest on net pension obligation	( 253,801)
Adjustment to annual required contribution	257,204
Annual pension cost	<u>1,104,076</u>
Contribution made	<u>(1,100,673)</u>
Increase in net pension obligation	3,403
Net pension obligation (asset) - beginning of year	<u>(3,384,014)</u>
Net pension obligation (asset) - end of year	<u>\$ (3,380,611)</u>

#### FUNDING PROGRESS - UNIFORMED PLAN

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll [(b)-(a)/(c)]
1/1/2011	\$ 23,071,952	\$ 31,598,942	\$ 8,526,990	73.0%	\$ 4,246,707	200.8%
1/1/2010	22,092,661	30,728,346	8,635,685	71.9	4,447,537	194.2
1/1/2009	18,266,006	29,214,709	10,948,703	62.5	4,469,088	245.0
1/1/2008	19,999,879	28,526,368	8,526,489	70.1	4,245,175	200.9
1/1/2007	18,106,583	27,471,232	9,364,649	65.9	4,102,912	228.2
1/1/2006	17,426,067	25,861,569	8,435,502	67.4	3,782,856	223.0
1/1/2005	17,267,814	24,530,293	7,262,479	70.4	3,651,659	198.9
1/1/2004	17,194,086	23,255,866	6,061,780	73.9	3,581,760	169.2
1/1/2003	15,204,281	21,411,392	6,207,111	71.0	3,586,895	173.0
1/1/2002	17,007,931	19,295,567	2,287,636	88.1	3,428,896	66.7

8. **EMPLOYEE RETIREMENT SYSTEMS - continued**

**Annual Pension Cost and Net Pension Obligation - continued**

The annual required contribution for the current year was determined as part of the January 1, 2011 actuarial valuation using the individual entry age normal method of funding. The actuarial assumptions include (a) 7.5% investment rate of return, (b) 4.75% projected salary increases, and (c) administrative costs of \$25,000, (d) mortality based on the RP2000 Combined White Collar Mortality table projected to 2017 by Scale AA for males and females with active deaths assumed to be 50% duty related. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The funding policy contribution is the normal cost with interest to the end of the Plan year plus a 20-year amortization of the unfunded accrued liability as a level percentage of projected payroll.

UNIFORMED PLAN					
Year Ended ( December 31,	Annual Pension Cost	Actual Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2011	\$ 1,104,076	\$ 1,100,673	99.7 %	\$ 1,100,673	100 %
2010	1,093,125	1,692,786	155	1,092,786	155
2009	1,255,599	2,255,382	180	1,255,382	180
2008	1,055,730	2,240,000	212	1,055,357	212
2007	1,210,076	1,810,076	150	1,210,076	150
2006	1,129,573	1,129,573	100	1,129,573	100
2005	983,068	983,068	100	983,068	100
2004	906,696	906,696	100	909,696	100
2003	910,979	910,979	100	910,976	100
2002	567,169	567,169	100	567,169	100

**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.



8. **EMPLOYEE RETIREMENT SYSTEMS - continued**

**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.

**Annual Pension Cost and Net Pension Obligation**

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

Year Ended December 31

Annual required contribution	\$ 139,170
Interest on net pension obligation	(24,352)
Adjustment to annual required contribution	33,017
Annual pension cost	147,835
Contribution made	(139,170)
Increase in net pension obligation	8,665
Net pension obligation (asset) - beginning of year	(324,694)
Net pension obligation (asset) - end of year	\$ (316,029)

The annual required contribution for the current year was determined as part of the January 1, 2011 actuarial valuation using the aggregate cost method which does not identify or separately amortize unfunded actuarial liabilities. The actuarial assumptions include (a) 7.5% investment rate of return, (b) 5% projected salary increases, (c) administrative costs of \$20,000, (d) mortality based on the RP2000 Combined White Collar Mortality table projected to 2017 by Scale AA for males and females. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period.

The non-uniform plan prepares the actuarial valuation using the aggregate cost method which does not identify or separately amortize unfunded actuarial liabilities, information about the funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and the information presented is intended to serve as a surrogate for the funded status and funding progress of the plan. This information is presented as required supplemental information.

**Funded Status and Funding Progress** - As of January 1, 2011, the most recent actuarial valuation available, the plan was 90.7 percent funded. The actuarial accrued liability for benefits was \$3,749,837, and the actuarial value of assets was \$3,399,572, resulting in an unfunded actuarial accrued liability (UAAL) of \$350,265. The covered payroll (annual payroll of active employees covered by the plan) was \$1,717,264, and the ratio of the UAAL to the covered payroll was 20.4%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

8. **EMPLOYEE RETIREMENT SYSTEMS - continued**

**Funded Status and Funding Progress - continued**

Year Ended December 31,	Non-Uniformed Plan				
	Annual Pension Costs	Actual Contributed	Percentage Contribution	Annual Required Contribution	Percentage Contributed
2011	\$ 147,835	\$ 139,170	94 %	\$ 139,170	100 %
2010	161,199	261,199	162	161,199	162
2009	203,664	403,663	198	203,664	198
2008	148,695	175,000	118	148,695	118
2007	143,662	143,662	100	143,662	100
2006	120,800	120,800	100	120,800	100
2005	110,188	110,188	100	110,188	100
2004	99,990	99,990	100	99,990	100
2003	92,402	92,402	100	92,402	100
2002	50,615	50,615	100	50,615	100

9. **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.

10. **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.

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

**Plan Description and Provisions - continued**

At January 1, 2009, the date of the last actuarial valuation, the Plan covered the following number of participants:

Active participants	90
Retirees and beneficiaries currently receiving benefits	19
Total Plan Participants	<u>109</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 80% married, (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 2007 by Scale AA for males and females, (e) employee participation rates for uniformed are assumed to be 65% of future retired employees, for non-uniformed participation rates are assumed to be 50% of future retired employees and 100% of current retirees. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments.

**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)	\$	84,510
Interest on net benefit plan obligation		-
Adjustment to annual required contribution		-
Annual benefit plan cost		<u>84,510</u>
Contributions made		<u>(71,923)</u>
Increase in net benefit plan obligation		12,587
Net OPEB obligation (asset) - beginning of year		<u>(9,887)</u>
Net OPEB obligation (asset) - end of year	\$	<u>2,700</u>

**Trend Information - Other Post Employment Benefits**

Fiscal Year Ended Dec 31,	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
2011	\$ 84,510	85 %	\$ 2,700
2010	84,510	108	(9,887)
2009	84,510	104	(3,052)

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

**Funded Status and Funding Progress** - As of January 1, 2009, the most recent actuarial valuation available, the plan was 0% funded. The actuarial accrued liability for benefits was \$716,836, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$716,836. The covered payroll (annual payroll of active employees covered by the plan) was \$6,196,920, and the ratio of the UAAL to the covered payroll was 11.6%.

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

11. **SUBSEQUENT EVENTS**

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through April 30, 2012, the date the financial statements were available to be issued.

12. **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, are 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 FUNDING PROGRESS - NON-UNIFORMED PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b)-(a)/(c)]
1/1/2008	\$ 2,542,196	\$ 2,897,592	\$ 355,396	87.7 %	\$ 1,709,715	20.8 %
1/1/2009	2,344,006	3,148,403	804,397	74.5	1,727,832	46.6
1/1/2010	3,069,929	3,492,843	422,914	87.9	1,802,804	23.5
1/1/2011	3,399,572	3,749,837	350,265	90.7	1,717,264	20.4

**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 %

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, 2011**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>OPERATING REVENUE</b>				
Taxes	\$ 8,748,796	\$ 8,748,796	\$ 9,569,863	\$ 821,067
Licenses and permits	447,650	447,650	466,980	19,330
Fines and court costs	711,200	711,200	621,400	(89,800)
Charges for service	380,900	380,900	411,831	30,931
Miscellaneous	107,757	107,757	156,709	48,952
<b>TOTAL REVENUE</b>	<u>10,396,303</u>	<u>10,396,303</u>	<u>11,226,783</u>	<u>830,480</u>
<b>EXPENDITURES</b>				
Current:				
General government	1,285,324	1,285,324	1,285,937	(613)
Police department	3,699,167	3,699,167	3,521,276	177,891
Fire department	3,977,054	3,977,054	3,976,827	227
Public works	1,625,644	1,625,644	1,600,431	25,213
<b>TOTAL EXPENDITURES</b>	<u>10,587,189</u>	<u>10,587,189</u>	<u>10,384,471</u>	<u>202,718</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(190,886)</u>	<u>(190,886)</u>	<u>842,312</u>	<u>1,033,198</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in (out)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>109,114</u>	<u>109,114</u>	<u>1,142,312</u>	<u>\$ 1,033,198</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>7,548,548</u>	<u>7,548,548</u>	<u>7,548,548</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 7,657,662</u>	<u>\$ 7,657,662</u>	<u>\$ 8,690,860</u>	



**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**ROAD AND BRIDGE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>OPERATING REVENUE</b>				
Taxes	\$ 882,000	\$ 882,000	\$ 871,095	\$ (10,905)
Licenses and permits	37,000	37,000	37,224	224
Miscellaneous income	650,072	650,072	445,878	(204,194)
TOTAL REVENUE	<u>1,569,072</u>	<u>1,569,072</u>	<u>1,354,197</u>	<u>(214,875)</u>
<b>EXPENDITURES</b>				
Current:				
General government	8,500	8,500	-	8,500
Public works	1,648,365	1,648,365	786,851	861,514
TOTAL EXPENDITURES	<u>1,656,865</u>	<u>1,656,865</u>	<u>786,851</u>	<u>870,014</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(87,793)</u>	<u>(87,793)</u>	<u>567,346</u>	<u>655,139</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in (out)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(387,793)</u>	<u>(387,793)</u>	<u>267,346</u>	<u>\$ 655,139</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,168,160</u>	<u>1,168,160</u>	<u>1,168,160</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 780,367</u>	<u>\$ 780,367</u>	<u>\$ 1,435,506</u>	

**CITY OF LADUE, MISSOURI**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**CAPITAL IMPROVEMENTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>OPERATING REVENUE</b>				
Taxes	\$ 770,000	\$ 770,000	\$ 761,601	\$ (8,399)
Miscellaneous	31,400	31,400	87,100	55,700
TOTAL REVENUE	<u>801,400</u>	<u>801,400</u>	<u>848,701</u>	<u>47,301</u>
<b>EXPENDITURES</b>				
Capital outlay	1,006,655	1,006,655	323,651	683,004
Debt service	-	-	118,758	(118,758)
TOTAL EXPENDITURES	<u>1,006,655</u>	<u>1,006,655</u>	<u>442,409</u>	<u>564,246</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(205,255)</u>	<u>(205,255)</u>	<u>406,292</u>	<u>\$ 611,547</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>2,232,988</u>	<u>2,232,988</u>	<u>2,232,988</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,027,733</u>	<u>\$ 2,027,733</u>	<u>\$ 2,639,280</u>	

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

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>OPERATING REVENUE</b>				
Taxes	\$ 885,000	\$ 885,000	\$ 896,076	\$ 11,076
Miscellaneous	174,500	174,500	267,142	92,642
TOTAL REVENUE	<u>1,059,500</u>	<u>1,059,500</u>	<u>1,163,218</u>	<u>103,718</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>844,000</u>	<u>844,000</u>	<u>353,075</u>	<u>490,925</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	215,500	215,500	810,143	<u>\$ 594,643</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>3,835,984</u>	<u>3,835,984</u>	<u>3,835,984</u>	
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,051,484</u>	<u>\$ 4,051,484</u>	<u>\$ 4,646,127</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>
2002	\$ 867,038	\$ 5,468,920	\$ 1,264,869	\$ 7,600,827
2003	853,388	6,037,105	1,285,268	8,175,761
2004	879,573	6,268,534	1,450,794	8,598,901
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

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>
2002	\$ 6,256,997	\$ 400,674	\$ 149,044	\$ 489,778	\$ 142,348	\$ 7,438,841
2003	6,440,607	311,827	144,224	437,226	91,589	7,425,473
2004	7,903,550	410,098	201,050	371,832	84,967	8,971,497
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

**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 COLLECTIONS THROUGH FEB 28	PERCENT OF		OUTSTANDING TAXES AS OF DEC 31	PERCENT OF	
						TOTAL TAX COLLECTIONS TO TAX LEVY	%		OUTSTANDING TAXES TAXES TO TAX LEVY	%
2002	\$ 2,215,198	\$ 1,597,012	* 72.1	\$ 789,256	\$ 2,386,268	107.7	%	\$ 618,186	*	27.9
2003	2,317,008	1,709,486	* 73.8	590,451	2,299,937	99.3		569,202	*	24.6
2004	3,896,927	2,966,935	* 76.1	559,613	3,526,548	90.5		889,625	*	22.8
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

\* 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, 2011**

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	32
Police Protection:	
Number of:	
Stations	1
Policemen and officers	25
Communications personnel	6
Public Works	
Number of:	
Buildings	3
Personnel and officers	15
Education:	
Number of:	
Elementary - public	2
Elementary - private	2
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, 2011	298
Recreation and Culture:	
Number of:	
Parks	2 with approximately 66.7 acres
Libraries	1
Private country clubs	6
Employees	85