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1-1-2005

## Independent Auditor's Report and Financial Statements 2004

City of Weldon Spring

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**CLAIRE C. McCASKILL**  
Missouri State Auditor

November 15, 2005

City Clerk  
City of Weldon Spring  
St. Charles County  
5401 Independence Road  
Weldon Spring, MO 63304

Fiscal Period: One Year Ended September 30, 2004 ✓

Dear City Clerk:

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

Thank you for your cooperation in sending this information.

Sincerely,

CLAIRE C. McCASKILL  
STATE AUDITOR

Judy Buerky  
Local Government Analyst

# Bates CPAs

A Professional Corporation  
of  
Accountants and Consultants

2031 Collier Corporate Parkway  
St. Charles, MO 63303

Phone: 636-947-8400  
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INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Board of Aldermen  
City of Weldon Spring, Missouri

We have audited financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of Weldon Spring, Missouri as of and for the year ended September 30, 2004, which collectively comprise the City of Weldon Spring, Missouri's basic financial statements, and have issued our report thereon dated January 27, 2005. 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.

## Compliance

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

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Weldon Spring, Missouri's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The following matter is considered a reportable condition.

### 1. Segregation of Duties

The City treasurer is responsible for all areas of the accounting cycle, therefore, an adequate segregation of accounting duties and responsibilities is not present in the City. We understand the size and budget constraints of the City limit the application of an adequate segregation of duties; however, accounting responsibilities should be reviewed periodically and consideration given to improving the segregation of duties.

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A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we consider the aforementioned reportable condition to be a material weakness.

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

*Batter CPA, P.C.*

January 27, 2005



CITY OF WELDON SPRING, MISSOURI

INDEPENDENT AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS

SEPTEMBER 30, 2004

CITY OF WELDON SPRING, MISSOURI

SEPTEMBER 30, 2004

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St. Charles, MO 63303

Phone: 636-947-8400  
Fax: 636-947-1191

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Aldermen  
City of Weldon Spring, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Weldon Spring, Missouri, as of and for the year ended September 30, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Weldon Spring, Missouri 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 that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Weldon Spring, Missouri as of September 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

During 2004, the City implemented a new financial reporting model, as required by the provisions of GASB 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments as amended and interpreted as of September 30, 2004.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2005, on our consideration of the City of Weldon Spring, Missouri internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 2 through 7 and 21 through 24, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Weldon Spring, Missouri's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Bates CPAs, P.C.*

January 27, 2005

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**City of Weldon Spring, Missouri**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

As management of the City of Weldon Spring, Missouri, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2004. We encourage readers to consider the information presented here along with the City's financial statements, including the footnotes that follow this Management's Discussion and Analysis.

**FINANCIAL HIGHLIGHTS**

- On a government-wide basis the assets of the City exceeded its liabilities for the most recent fiscal year by \$ 4,369,818. The City has unrestricted net assets of \$ 449,340.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$ 1,752,917.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$ 449,340.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Note the government-wide financial statements exclude fiduciary fund activities.

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the City include general government, planning and zoning, board of adjustment, parks and recreation, building maintenance, emergency preparedness, and municipal court. The City does not have any business-type activities.

The government-wide financial statements can be found on pages 8 and 9 of this report.



**City of Weldon Spring, Missouri**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are government funds. It should be noted that the City does not have any fiduciary or proprietary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions, reported as governmental activities in the government-side financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements utilize a current financial resources measurement focus as applied to the modified accrual basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period. Such information may be useful in evaluating a government's near term financing requirements.

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

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Sewer Fund, Road and Bridges Fund, Municipal Hall and Park Fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Road Fund, Municipal Hall and Park Fund, and Sewer Fund. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

The governmental fund financial statements can be found on pages 11 and 12 of this report.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 13 through 18 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, certain required supplementary information regarding the budget can be found on pages 21 through 24 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented on pages 19 and 20 of this report.

**City of Weldon Spring, Missouri**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This is the first year that the City has presented its financial statements under the new reporting model pursuant to Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Because this reporting model significantly changes both the recording and presentation of financial data, the City has not restated prior fiscal years for the purpose of providing comparative information in this discussion and analysis. In future years when prior year information is available, a comparative analysis of government-wide data will be included.

A condensed version of the statement of net assets follows:

**ASSETS**

Cash and other current assets	\$ 1,778,314
Capital assets	<u>3,941,417</u>
Total Assets	<u>5,719,731</u>

**LIABILITIES**

Long term liabilities	1,223,520
Other liabilities	<u>126,393</u>
Total Liabilities	<u>1,349,913</u>

**NET ASSETS**

Invested in capital assets, net of related debt	2,616,901
Restricted	1,303,577
Unrestricted	<u>449,340</u>
Total Net Assets	<u>\$ 4,369,818</u>

As noted earlier, net assets may serve over time as a useful indicator of a city's financial position. As illustrated above, in the case of the City of Weldon Spring, assets exceeded liabilities by \$4,369,818 at the close of September 30, 2004.

By far the largest portion of the City of Weldon Spring's net assets (60 percent) reflects its investment in capital assets (e.g., land, building, sewers, and infrastructure); less any related debt used to acquire those assets that is still outstanding.

**City of Weldon Spring, Missouri**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**Governmental Activities**

As illustrated below, government activities increased the City's net assets by \$ 2,682,658. This was largely attributable to private neighborhood streets being dedicated to the City. The City has no business activities.

**FOR THE  
YEAR ENDED  
SEPTEMBER 30, 2004**

**REVENUES**

Program revenues:	
Charges for services	\$ 145,670
Capital grants and contributions	2,379,418
General revenues:	
Taxes	459,711
Franchise fees	273,960
Investment income	3,423
Miscellaneous	<u>5,070</u>
Total revenues	<u>3,267,252</u>

**EXPENSES**

General government	304,353
Law enforcement	5,270
Parks and recreation	97,324
Road	108,211
Sewer administration and maintenance	7,419
Unallocated depreciation	31,685
Interest on long-term debt	<u>30,332</u>
Total expenses	<u>584,594</u>

<b>CHANGE IN NET ASSETS</b>	2,682,658
<b>NET ASSETS – BEGINNING</b>	<u>1,687,160</u>
<b>NET ASSETS – ENDING</b>	<u>\$ 4,369,818</u>

**City of Weldon Spring, Missouri**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

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

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

**Government Funds**

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

At September 30, 2004 the combined fund balance was \$ 1,752,917.

The General Fund is the chief operating fund of the City of Weldon Spring. As a measure of the General Fund's liquidity, it may be useful to compare general fund balance to general fund total expenditures. General balance equity represents 160 percent of general fund expenditures. The fund balance in the City's General Fund increased by \$ 53,344 or 13% from prior year fund balance. The change of the current year's fund balance is mainly due to decreased 2004 capital expenditures.

**CAPITAL ASSETS**

The City has invested \$ 3,941,417 at September 30, 2004 in a broad range of capital assets, including park land and improvements, city hall building, machinery and equipment, infrastructure, and construction in progress. This amount includes a net increase for the current fiscal year (including additions and deductions) of \$ 2,326,166. The City's capital assets, net of accumulated depreciation, consisted of:

Land and improvements	\$ 540,652
Building	306,039
Machinery and equipment	74,740
Infrastructure	2,981,511
Construction in progress	<u>38,475</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,941,417</u>

**LONG-TERM LIABILITIES**

At the end of the fiscal year, the City has bonded debt outstanding of \$ 910,000. The entire amount is authorized by the issuance of General Obligation Neighborhood Improvement Bonds Series 2001 for the purpose of permanently financing the Weldon Spring Neighborhood Sewer District Project. The notes are payable from the proceeds of neighborhood improvement district general obligation bonds to be issued in due course from the City, from special assessments to be levied upon property benefited by the acquisition and construction of said project.

The other major component of long-term debt is \$ 406,812 supported by a promissory note bearing interest at 3.875%, secured by City Hall and park real estate. This promissory note was for the sole purpose of purchasing 12.41 acres with residence to serve as a City hall and park. The loan is payable with revenues generated by a one-half percent sales tax approved by voters of the City.

**City of Weldon Spring, Missouri**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**BUDGETARY HIGHLIGHTS**

In the General Fund, the following significant variances occurred between 2004 budget and actual expenditures:

- Total collected revenues were \$ 39,312 greater than budgeted due to increase franchise fees and permits and licenses fees collected.
- Total administrative expenditures were \$ 11,195 less than budgeted due to savings in payroll from vacant positions and fewer hours being worked than budget.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

For the year ending September 30, 2005 the City projects General Fund revenue of \$ 315,844 and expenditures of \$ 315,844.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Weldon Spring  
City Treasurer  
5401 Independence Road  
Weldon Spring, MO 63304

CITY OF WELDON SPRING  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2004

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets	
Pooled cash and cash equivalents, unrestricted	\$ 437,774
Receivables	26,936
Restricted assets	
Pooled cash and cash equivalents	1,235,476
Receivables	<u>78,128</u>
Total current assets	<u>1,778,314</u>
Capital assets (net of accumulated depreciation)	
Land and land improvements	540,652
Building	306,039
Machinery and equipment	74,740
Infrastructure	2,981,511
Construction in progress	<u>38,475</u>
Total capital assets, net	<u>3,941,417</u>
Total assets	<u>5,719,731</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	12,227
Accrued salaries and payroll taxes	13,170
Accrued interest	7,704
Bonds and note payable current	<u>93,292</u>
Total current liabilities	<u>126,393</u>
Non-current liabilities	
Bonds payable	860,000
Note payable	<u>363,520</u>
Total non-current liabilities	<u>1,223,520</u>
Total liabilities	<u>1,349,913</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	2,616,901
Restricted for:	
City hall and park	118,321
Road improvements	1,062,850
Bond debt service	122,406
Unrestricted deficit	<u>449,340</u>
Total net assets	<u>\$ 4,369,818</u>

See Notes to Financial Statements

CITY OF WELDON SPRING

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2004

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Governmental Activities Net Revenue (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government:					
Governmental activities:					
General government	\$ 304,353	\$ 50,973	\$ -	\$ -	\$( 253,380)
Law enforcement	5,270	-	-	-	( 5,270)
Parks and recreation	97,324	1,557	-	-	( 95,767)
Road	108,211	10,482	-	2,379,418	2,281,689
Sewer administration and maintenance	7,419	82,658	-	-	75,239
Unallocated depreciation	31,685	-	-	-	( 31,685)
Interest on long-term debt	<u>30,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 30,332)</u>
Total governmental activities	<u>584,594</u>	<u>145,670</u>	<u>-</u>	<u>2,379,418</u>	<u>1,940,494</u>
Total primary government	<u>584,594</u>	<u>145,670</u>	<u>-</u>	<u>2,379,418</u>	<u>1,940,494</u>
		General revenues:			
					221,727
					66,244
					171,740
					273,960
					3,423
					<u>5,070</u>
					<u>742,164</u>
					2,682,658
					<u>1,687,160</u>
					<u>\$ 4,369,818</u>

See Notes to Financial Statements

CITY OF WELDON SPRING, MISSOURI  
COMBINED BALANCE SHEET – GOVERNMENTAL FUNDS

SEPTEMBER 30, 2004

	General Fund	Sewer Fund	Roads and Bridges Funds	Municipal Hall and Park Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS AND OTHER DEBITS</u>						
Pooled cash and cash equivalents	\$ 437,774	\$ 122,406	\$ 991,905	\$ 100,712	\$ 20,453	\$ 1,673,250
Receivables	26,936	-	19,239	20,414	38,475	105,064
Due from Wolfrum Road Fund	-	-	38,475	-	-	38,475
	<u>\$ 464,710</u>	<u>\$ 122,406</u>	<u>\$ 1,049,619</u>	<u>\$ 121,126</u>	<u>\$ 58,928</u>	<u>\$ 1,816,789</u>
<u>LIABILITIES, FUND BALANCES AND OTHER CREDITS</u>						
Liabilities:						
Accounts payable	\$ 5,540	\$ -	\$ 3,080	\$ -	\$ 3,606	\$ 12,226
Accrued salaries and payroll taxes	9,829	-	537	2,805	-	13,171
Due to Roads and Bridges Fund	-	-	-	-	38,475	38,475
	<u>15,369</u>	<u>-</u>	<u>3,617</u>	<u>2,805</u>	<u>42,081</u>	<u>63,872</u>
Fund balance and other credits:						
Unreserved, reported in:						
General Fund	449,341	-	-	-	-	449,341
Special Revenue Funds	-	122,406	1,046,002	118,321	16,847	1,303,576
	<u>449,341</u>	<u>122,406</u>	<u>1,046,002</u>	<u>118,321</u>	<u>16,847</u>	<u>1,752,917</u>
Total liabilities, fund balance and other credits	<u>\$ 464,710</u>	<u>\$ 122,406</u>	<u>\$ 1,049,619</u>	<u>\$ 121,126</u>	<u>\$ 58,928</u>	

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

Capital assets of \$4,062,662, net of accumulated depreciation of \$121,245, are not financial resources and, therefore, are not reported in the funds.	3,941,417
Bonds payable and note payable are not reported in the funds.	( 1,316,812)
Accrued interest is not reported in the funds.	( 7,704)
	<u>\$ 4,369,818</u>

See Notes to Financial Statements



CITY OF WELDON SPRING, MISSOURI

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2004

	<u>General Fund</u>	<u>Sewer Fund</u>	<u>Roads and Bridges Fund</u>	<u>Municipal Hall and Park Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ 237,984	\$ 221,727	\$ -	\$ 459,711
Franchise fees	273,960	-	-	-	-	273,960
Permits, licenses and applications	50,973	-	-	-	-	50,973
Grants	-	-	-	-	211,909	211,909
Fees	-	81,576	-	-	-	81,576
Rentals	-	-	-	961	-	961
Other	5,070	-	-	-	-	5,070
Interest	3,423	1,082	10,482	596	-	15,583
	<u>333,426</u>	<u>82,658</u>	<u>248,466</u>	<u>223,284</u>	<u>211,909</u>	<u>1,099,743</u>
<b>Total revenues</b>						
<b>EXPENDITURES:</b>						
<b>Current:</b>						
Administrative	278,306	5,419	11,131	-	-	294,856
Law enforcement	-	-	5,270	-	-	5,270
Parks and recreation	-	-	-	60,628	-	60,628
Occupancy	-	-	-	15,202	-	15,202
Road and bridge	-	-	94,643	-	195,062	289,705
Capital outlay	1,776	2,000	-	43,482	-	47,258
Debt service						
Principal	-	50,000	-	52,892	-	102,892
Interest	-	13,639	-	17,089	-	30,728
	<u>280,082</u>	<u>71,058</u>	<u>111,044</u>	<u>189,293</u>	<u>195,062</u>	<u>846,539</u>
<b>Total expenditures</b>						
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	53,344	11,600	137,422	33,991	16,847	253,204
<b>FUND BALANCE, BEGINNING OF YEAR</b>	395,997	110,806	908,580	84,330	-	1,499,713
<b>FUND BALANCE, END OF YEAR</b>	\$ <u>449,341</u>	\$ <u>122,406</u>	\$ <u>1,046,002</u>	\$ <u>118,321</u>	\$ <u>16,847</u>	\$ <u>1,752,917</u>

See Notes to Financial Statements

CITY OF WELDON SPRING, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2004

Amounts reported for *governmental activities* in the statement of activities (page 9) are different because:

Net change in fund balance – total governmental funds (page 11)	\$ 253,204
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$215,601 exceeded depreciation of \$56,944 in the current period	158,657
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	2,167,509
Payments of bonds principal and note principal are expenditures in the governmental funds, but the payments reduce long-term liabilities in the statement of net assets. This is the amount of current year bond and note principal payments.	102,892
Interest is reported using the modified accrual method in the funds and full accrual method in the statement of activities.	<u>396</u>
Change in net assets of governmental activities	<u>\$ 2,682,658</u>

See Notes to Financial Statements

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A, Reporting Entity

The City of Weldon Spring, Missouri, (the City) was incorporated on November 18, 1984 and established a Mayor-Board of Aldermen form of government. The City's major operations include general administrative services, planning and zoning activities, park development and management, and sewer construction.

The City defines its reporting entity in accordance with GASB 14. The guidelines set forth therein establish the exercise of oversight responsibility as the primary, but not the only, criteria for including a governmental unit as a component unit of the governmental reporting entity.

The financial statements present financial information on activities of the City for which the Board of Aldermen has oversight responsibility. Oversight responsibility is defined as control by or dependence on the City as determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the City, obligations of the City to finance any deficits that may occur, or receipt of significant subsidies from the City.

Based on the foregoing definition of oversight responsibility, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or dependent on the City.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Individual funds are not displayed but the statements distinguish *governmental activities*, which normally are supported by taxes and City general revenues, from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The City has no business-type activities.

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

Fund Financial Statements

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

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

The City reports the following major governmental funds:

General Fund – is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Sewer Special Revenue Fund – is used to account for certain fees restricted for sewer maintenance costs and certain bond debt service payments.

Roads and Bridges Special Revenue Fund – is used to account for certain tax revenues legally restricted to expenditures for the construction or servicing of roads and bridges.

Municipal Hall and Park Special Revenue Fund – is used to account for certain tax revenues restricted for maintenance of the municipal city hall and park and certain debt service payments.

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 and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund 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 purpose. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgment, are recorded when payment is due.

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

D. Capital Assets, Depreciation and Amortization

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The City has elected not to report general infrastructure assets retroactively. Therefore, no general infrastructure assets purchased or placed in service prior to October 1, 2003 are included in the statement of net assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Infrastructure	30
Park equipment	10
Heavy maintenance equipment	10
Vehicles	5
Office equipment	5
Computer equipment	5

E. Total (Memorandum Only) Data

The total columns in the combined general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation since interfund eliminations have not been made.

NOTE 2: BUDGET POLICY AND PRACTICE

The Board of Aldermen currently adopts annual budgets for the General Fund and Special Revenue Funds in accordance with the cash basis of accounting. Accordingly, budgeted revenues do not reflect revenues earned but not received and budgeted expenditures do not include expenditures incurred but not paid. All budget appropriations lapse at year end.

Supplementary budgetary comparison schedules include adjustments to reconcile actual amounts using the budget cash basis to actual amounts using the modified accrual basis pursuant to accounting principles generally accepted in the United States of America.

NOTE 3: CASH AND CASH EQUIVALENTS

The surplus funds of the City may be legally invested in any of the securities identified as eligible in Section 30.270 of Missouri State Statutes.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the Combined Balance Sheet.

At September 30, 2004, all cash and cash equivalents are fully insured or collateralized.

The City considers highly liquid assets (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

NOTE 4: RESTRICTED ASSETS

Restricted assets are reported in various funds for cash deposited legally restricted for specific uses such as sewer maintenance costs, municipal hall and park costs, debt service payments and road improvements. See Note 1.c describing the priority for use of restricted and unrestricted assets.

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2004 was as follows:

	Beginning Balance, <u>Restated</u>	2004 <u>Increases</u>	2004 <u>Decreases</u>	Ending <u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 465,323	\$ -	\$ -	\$ 465,323
Construction in progress	<u>691,538</u>	<u>38,475</u>	<u>691,538</u>	<u>38,475</u>
Total capital assets, not being depreciated	<u>1,156,861</u>	<u>38,475</u>	<u>691,538</u>	<u>503,798</u>
Capital assets being depreciated:				
Land improvements	68,456	16,508	-	84,964
Buildings	357,678	-	-	357,678
Machinery and equipment	96,557	6,468	-	103,025
Infrastructure	<u>-</u>	<u>3,013,197</u>	<u>-</u>	<u>3,013,197</u>
Total capital assets being depreciated	<u>522,691</u>	<u>3,036,173</u>	<u>-</u>	<u>3,558,864</u>
Less accumulated depreciation for:				
Land improvements	( 6,075)	( 3,560)	-	( 9,635)
Buildings	( 40,728)	( 10,911)	-	( 51,639)
Machinery and equipment	( 17,498)	( 10,787)	-	( 28,285)
Infrastructure	<u>-</u>	<u>( 31,686)</u>	<u>-</u>	<u>( 31,686)</u>
Total accumulated depreciation	<u>( 64,301)</u>	<u>( 56,944)</u>	<u>-</u>	<u>( 121,245)</u>
Total capital assets being depreciated, net	<u>458,390</u>	<u>2,979,229</u>	<u>-</u>	<u>3,437,619</u>
Governmental activities capital assets, net	<u>\$ 1,615,251</u>	<u>\$ 3,017,704</u>	<u>\$ 691,538</u>	<u>\$ 3,941,417</u>

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

Governmental activities:	
General government	\$ 9,069
Parks	16,190
Infrastructure (unallocated)	<u>31,685</u>
Total depreciation expense governmental activities	<u>\$ 56,944</u>

During 2004, the City implemented GASB 34 at which time the City implemented a \$5,000 threshold for capitalizing capital assets. Individual capital assets less than \$5,000 previously included in the long-term fixed asset group aggregating \$40,591 were removed from capital asset records. The beginning balances have been restated to reflect this \$40,591 adjustment.

During 2004, construction of the Independence Spur was completed and placed in service. At September 30, 2003, the City had incurred \$691,538 of costs related to the construction in progress on this project. Prior to the implementation of GASB 34, these costs were not required to be capitalized. Beginning balances have been restated to include the construction in progress of \$691,538. This amount was transferred from construction in progress to infrastructure increases during 2004.

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 6: LONG-TERM DEBT

General Obligation Neighborhood Improvement Bonds Series 2001

On November 11, 2001 the Board of Aldermen authorized the issuance of \$1,040,000 General Obligation Neighborhood Improvement Bonds (State Revolving Fund Program) Series 2001 for the purpose of permanently financing the Weldon Spring Neighborhood Sewer District Project and paying in full the Neighborhood Improvement District Notes (State Revolving Fund – Direct Loan Program) Series 1999.

Promissory Note, December 29, 1998

On December 8, 1998, the Board of Aldermen authorized the borrowing of \$575,000 for the sole purpose of purchasing 12.41 acres with residence to serve as a City hall and park. The loan is payable with revenues generated by a one-half percent sales tax approved by the voters of the City on February 3, 1998. This note was refinanced January 10, 2003.

The changes in general long-term debt during the year ended September 30, 2004 related to governmental activities are summarized as follows:

	<u>Balance Outstanding September 30, 2003</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Outstanding September 30, 2004</u>	<u>Due Within One Year</u>
General Obligation Neighborhood Improvement Bonds, Series 2001, original amount of \$1,040,000; bearing interest at an annual rate ranging from 3.0% to 5.375%	\$ 960,000	\$ -	\$ 50,000	\$ 910,000	\$ 50,000
Promissory note bearing interest at 4.75% per annum through January 10, 2003; then 3.875%; secured by City hall and park real estate; interest only payable quarterly April 1, 1999 through October 1, 1999; then principal payments of \$7,375 plus accrued interest payable quarterly through April 10, 2003; then, principal payments of \$10,823 plus accrued interest payable quarterly until January 1, 2008 at which time all unpaid principal and accrued interest will be due and payable in full.	450,104	-	43,292	406,812	43,292
Noninterest bearing promissory note; annual payments of \$9,600; maturing March 31, 2004	<u>9,600</u>	<u>-</u>	<u>9,600</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,419,704</u>	<u>\$ -</u>	<u>\$ 102,892</u>	<u>\$ 1,316,812</u>	<u>\$ 93,292</u>

The following is a summary of maturities of long-term debt as of September 30, 2004:

<u>Year ending September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 93,292	\$ 30,187	\$ 123,479
2006	93,292	28,589	121,881
2007	98,292	26,112	124,404
2008	331,936	18,697	350,633
2009	55,000	12,544	67,544
2010-2014	305,000	48,654	353,654
2015-2019	<u>340,000</u>	<u>19,700</u>	<u>359,700</u>
Total Payments	<u>\$ 1,316,812</u>	<u>\$ 184,483</u>	<u>\$ 1,501,295</u>

CITY OF WELDON SPRING, MISSOURI

NOTES TO FINANCIAL STATEMENTS

NOTE 7: ROAD AND BRIDGE TAX REFUNDS

By authority of Article X, Section 12(b) of the Missouri Constitution, the County of St. Charles may rebate certain road and bridge tax to towns and cities.

Pursuant to Ordinance 7 of the City, the City has waived its rights to these rebates in return for St. Charles County's continued maintenance of public roads within the City's boundaries. These rebates totaled \$188,883 for the year ending December 31, 2004.

NOTE 8: RISK MANAGEMENT – CLAIMS AND JUDGMENTS

The City managed risks of loss related to employee life, health and disability, workers' compensation, property and liability by purchasing commercial insurance during 2004. There was no significant reductions in insurance coverage during 2004 and settlement amounts have not exceeded insurance coverage for the current or three prior years.

NOTE 9: CONTINGENCIES

The City is a defendant in various actions and proceedings involving sewer and zoning issues. The ultimate outcome of the cases cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. The City is contesting the claims vigorously.



CITY OF WELDON SPRING  
SUPPLEMENTARY SCHEDULE 1  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2004

	<u>Independence Spur</u>	<u>Wolfrum Road</u>	<u>Total</u>
<u>ASSETS AND OTHER DEBITS</u>			
Cash and cash equivalents	\$ 20,453	-	\$ 20,453
Receivables	<u>-</u>	<u>38,475</u>	<u>38,475</u>
Total assets	<u>\$ 20,453</u>	<u>\$ 38,475</u>	<u>\$ 58,928</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable	\$ 3,606	\$ -	\$ 3,606
Due to Roads and Bridges Fund	<u>-</u>	<u>38,475</u>	<u>38,475</u>
Total liabilities	<u>3,606</u>	<u>38,475</u>	<u>42,081</u>
Fund balance:			
Unreserved	<u>16,847</u>	<u>-</u>	<u>16,847</u>
Total fund balance	<u>16,847</u>	<u>-</u>	<u>16,847</u>
Total liabilities and fund balance	<u>\$ 20,453</u>	<u>\$ 38,475</u>	<u>\$ 58,928</u>

See Independent Auditor's Report

CITY OF WELDON SPRING  
SUPPLEMENTARY SCHEDULE 2  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED SEPTEMBER 30, 2004

	<u>Independence Spur</u>	<u>Wolfrum Road</u>	<u>Total</u>
REVENUES:			
Grants	\$ 173,434	\$ 38,475	\$ 211,909
Total revenues	<u>173,434</u>	<u>38,475</u>	<u>211,909</u>
EXPENDITURES:			
Current:			
Road and bridge	<u>156,587</u>	<u>38,475</u>	<u>195,062</u>
Total expenditures	<u>156,587</u>	<u>38,475</u>	<u>          </u>
REVENUES OVER EXPENDITURES	16,847	-	16,847
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 16,847</u>	<u>\$ -</u>	<u>\$ 16,847</u>

See Independent Auditor's Report

CITY OF WELDON SPRING

SUPPLEMENTARY SCHEDULE 3

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (BUDGET BASIS)

YEAR ENDED SEPTEMBER 30, 2004

	<u>Actual</u> <u>(Budget Basis)</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Taxes	\$ -	\$ -	\$ -
Franchise fees	273,551	247,200	26,351
Permits, licenses and applications	50,973	42,400	8,573
Other	5,069	804	4,265
Interest	<u>3,423</u>	<u>3,300</u>	<u>123</u>
Total revenues	<u>333,016</u>	<u>293,704</u>	<u>39,312</u>
<b>EXPENDITURES</b>			
Administrative			
Payroll	123,695	145,936	22,241
Payroll taxes and benefits	27,949	31,892	3,943
City attorney	21,704	16,200	( 5,504)
City engineer	35,397	26,400	( 8,997)
City planner	4,971	7,200	2,229
Other professional fees	14,965	11,720	( 3,245)
Insurance	4,959	5,950	991
Other administrative costs	<u>38,457</u>	<u>37,994</u>	<u>( 463)</u>
Total administrative	272,097	283,292	11,195
Capital outlay	<u>1,776</u>	<u>9,600</u>	<u>7,824</u>
Total expenditures	<u>273,873</u>	<u>292,892</u>	<u>19,019</u>
REVENUES OVER (UNDER) EXPENDITURES	59,143	<u>\$ 812</u>	<u>\$ 58,331</u>
<b>RECONCILING ITEMS TO ADJUST FROM BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS</b>			
Accounts receivable 9/30/03	( 26,526)		
Accounts receivable 9/30/04	26,936		
Accounts payable 9/30/03	1,951		
Accounts payable 9/30/04	( 5,540)		
Accrued wages 9/30/03	3,466		
Accrued wages 9/30/04	<u>( 6,086)</u>		
	<u>( 5,799)</u>		
REVENUES OVER EXPENDITURES - MODIFIED ACCRUAL BASIS	<u>\$ 53,344</u>		

See Independent Auditor's Report

CITY OF WELDON SPRING  
SUPPLEMENTARY SCHEDULE 4

SEWER FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (BUDGET BASIS)

YEAR ENDED SEPTEMBER 30, 2004

	<u>Actual</u> <u>(Budget Basis)</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Fees	\$ 81,576	\$ 68,449	13,127
Interest	<u>1,082</u>	<u>1,205</u>	<u>( 123)</u>
Total revenues	<u>82,658</u>	<u>69,654</u>	<u>13,004</u>
<b>EXPENDITURES</b>			
Administrative costs	5,419	5,650	231
Capital outlay	2,000	-	( 2,000)
Debt service:			
Principal	50,000	50,000	-
Interest	<u>13,639</u>	<u>13,600</u>	<u>( 39)</u>
Total expenditures	<u>71,058</u>	<u>69,250</u>	<u>( 1,808)</u>
REVENUES OVER (UNDER) EXPENDITURES	11,600	<u>\$ 404</u>	<u>\$ 11,196</u>
RECONCILING ITEMS TO ADJUST FROM BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS	<u>-</u>		
REVENUES OVER EXPENDITURES - MODIFIED ACCRUAL BASIS	<u>\$ 11,600</u>		

See Independent Auditor's Report

CITY OF WELDON SPRING  
 SUPPLEMENTARY SCHEDULE 5  
 ROADS AND BRIDGES FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
 BUDGET AND ACTUAL (BUDGET BASIS)

YEAR ENDED SEPTEMBER 30, 2004

	Actual (Budget Basis)	Budget	Variance
REVENUE			
Taxes	\$ 237,074	\$ 229,100	\$ 7,974
Interest	<u>10,482</u>	<u>8,760</u>	<u>1,722</u>
Total revenues	<u>247,556</u>	<u>237,860</u>	<u>9,696</u>
EXPENDITURES			
Administrative			
Payroll	10,182	11,100	918
Payroll taxes and benefits	843	924	81
City attorney	-	-	-
City engineer	-	-	-
Other administrative costs	<u>-</u>	<u>-</u>	<u>-</u>
Total administrative	11,025	12,024	999
Capital outlay	91,563	135,140	43,577
Law enforcement	<u>5,270</u>	<u>75,000</u>	<u>69,730</u>
Total expenditures	<u>107,858</u>	<u>222,164</u>	<u>114,306</u>
REVENUES OVER (UNDER) EXPENDITURES	139,698	<u>\$ 15,696</u>	<u>\$ 124,002</u>
RECONCILING ITEMS TO ADJUST FROM BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS			
Accounts receivable 9/30/03	( 18,330)		
Accounts receivable 9/30/04	19,240		
Accounts payable 9/30/04	( 3,080)		
Accrued wages 9/30/03	159		
Accrued wages 9/30/04	<u>( 265)</u>		
	<u>( 2,276)</u>		
REVENUES OVER EXPENDITURES – MODIFIED ACCRUAL BASIS	<u>\$ 137,422</u>		

See Independent Auditor's Report

CITY OF WELDON SPRING

SUPPLEMENTARY SCHEDULE 6

MUNICIPAL HALL AND PARK FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –  
BUDGET AND ACTUAL (BUDGET BASIS)

YEAR ENDED SEPTEMBER 30, 2004

	<u>Actual</u> <u>(Budget Basis)</u>	<u>Budget</u>	<u>Variance</u>
<b>REVENUE</b>			
Taxes	\$ 221,852	\$ 215,600	\$ 6,252
Rentals	961	800	161
Interest	<u>596</u>	<u>600</u>	<u>( 4)</u>
Total revenues	<u>223,409</u>	<u>217,000</u>	<u>6,409</u>
<b>EXPENDITURES</b>			
Capital outlay	43,482	27,010	( 16,472)
Occupancy	15,290	16,366	1,076
Park maintenance	59,893	98,908	39,015
Debt service:			
Principal	52,892	52,892	-
Interest	<u>17,089</u>	<u>17,908</u>	<u>819</u>
Total expenditures	<u>188,646</u>	<u>213,084</u>	<u>24,438</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	34,763	<u>\$ 3,916</u>	<u>\$ 30,847</u>
<b>RECONCILING ITEMS TO ADJUST FROM BUDGETARY BASIS TO MODIFIED ACCRUAL BASIS</b>			
Accounts receivable 9/30/03	( 20,539)		
Accounts receivable 9/30/04	20,414		
Accounts payable 9/30/03	285		
Accounts payable 9/30/04	( 260)		
Accrued wages 9/30/03	594		
Accrued wages 9/30/04	<u>( 1,266)</u>		
	<u>( 772)</u>		
<b>REVENUES OVER EXPENDITURES – MODIFIED ACCRUAL BASIS</b>	<u>\$ 33,991</u>		

See Independent Auditor's Report