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Financial Statements, 2003

City of Crystal City

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CITY OF CRYSTAL CITY, MISSOURI

FINANCIAL STATEMENTS

March 31, 2003

STATE AUDITOR'S OFFICE

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M·W·R

Maloney, Wright & Robbins

Accountants and Advisors

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M·W·R

Maloney, Wright & Robbins

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Crystal City
Crystal City, Missouri 63019

We have audited the accompanying basic financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Crystal City, Missouri, as of and for the year ended March 31, 2003, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Crystal City, Missouri's management. Our responsibility is to express an opinion on these basic 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 *Governmental 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Crystal City, Missouri, as of March 31, 2003, and the respective changes in financial position and cash flows, 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 a report dated October 21, 2003 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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, although not a required part of the basic financial statements, has been omitted by the City of Crystal City.

The budgetary information on pages 28 - 30 are not a required part of the basic financial statements but are supplemental 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 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 Crystal City, Missouri's basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of Federal awards, 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.

Maloney, Wright & Robbins
MALONEY, WRIGHT & ROBBINS
Certified Public Accountants

Farmington, Missouri
October 21, 2003

M·W·R

Maloney, Wright & Robbins

Certified Public Accountants

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

To the Mayor and City Council
City of Crystal City
Crystal City, Missouri 63019

We have audited the basic financial statements of the City of Crystal City, Missouri, as of and for the year ended March 31, 2003, and have issued our report thereon dated October 21, 2003. 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 the City of Crystal City, 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Crystal City, Missouri's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City of Crystal City, Missouri, in a separate letter dated October 21, 2003.

This report is intended solely for the information and use of the Mayor, City Council, management of the City of Crystal City and 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.

Maloney, Wright & Robbins
MALONEY, WRIGHT & ROBBINS
Certified Public Accountants

Farmington, Missouri
October 21, 2003

M·W·R

Maloney, Wright & Robbins

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Mayor and City Council
City of Crystal City
Crystal City, Missouri 63019

Compliance

We have audited the compliance of the City of Crystal City, Missouri with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended March 31, 2003. The City of Crystal City, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the City of Crystal City, Missouri's management. Our responsibility is to express an opinion on the City of Crystal City, Missouri's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Crystal City, Missouri's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Crystal City, Missouri's compliance with those requirements.

In our opinion, the City of Crystal City, Missouri, complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2003.

Internal Control Over Compliance

The management of the City of Crystal City, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of Crystal City, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the City Council, management and 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.


MALONEY, WRIGHT & ROBBINS
Certified Public Accountants

Farmington, Missouri
October 21, 2003

CITY OF CRYSTAL CITY, MISSOURI
STATEMENT OF NET ASSETS

March 31, 2003

	Governmental Activities	Business-Type Activites	Total
ASSETS			
Current Assets:			
Cash, and Time Deposits	\$ 3,645,285	\$ 473,809	\$ 4,119,094
Restricted Cash	-	4,682,539	4,682,539
Taxes Receivable	24,745	-	24,745
Accounts Receivable (net)	1,539	57,623	59,162
Unbilled Revenue	-	96,973	96,973
Due from Other Governments	876,215	-	876,215
Accrued Interest Receivable	3,265	-	3,265
Total Current Assets	4,551,049	5,310,944	9,861,993
Noncurrent Assets:			
Capital Assets (net)	3,248,481	3,958,540	7,207,021
Unamortized Bond Issue Costs	-	122,612	122,612
Joint Venture	-	541,585	541,585
Total Noncurrent Assets	3,248,481	4,622,737	7,871,218
Total Assets	\$ 7,799,530	\$ 9,933,681	\$ 17,733,211
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 30,522	\$ 24,983	\$ 55,505
Bank Overdrafts	215,711	-	215,711
Accrued Wages Payable	-	-	-
Other Accrued Liabilities	55,945	92,939	148,884
Total Current Liabilities	302,178	117,922	420,100
Noncurrent Liabilities:			
Customer Deposits Payable	-	76,475	76,475
Accrued Compensated Absences	182,399	104,174	286,573
Unamortized Bond Premiums	-	170,199	170,199
Revenue Bonds Payable	-	5,560,000	5,560,000
State Revolving Fund Reserve	-	702,800	702,800
Total Noncurrent Liabilities	182,399	6,613,648	6,796,047
Total Liabilities	484,577	6,731,570	7,216,147
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	3,248,481	2,184,778	5,433,259
Unrestricted (Deficit)	4,066,472	1,017,333	5,083,805
Total Net Assets	7,314,953	3,202,111	10,517,064
Total Liabilities and Net Assets	\$ 7,799,530	\$ 9,933,681	\$ 17,733,211

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

CITY OF CRYSTAL CITY, MISSOURI
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2003

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For		Primary Government		
		Services	Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
City Council	\$ (10,119)	\$ -	-	\$ (10,119)	\$ -	\$ (10,119)
Treasurer	(1,292)	-	-	(1,292)	-	(1,292)
Municipal Court	(63,605)	-	-	(63,605)	-	(63,605)
Mayor	(4,591)	-	-	(4,591)	-	(4,591)
Elections	(3,311)	-	-	(3,311)	-	(3,311)
City Clerk	(556,783)	91,402	30,970	(434,411)	-	(434,411)
City Hall	(333,113)	-	-	(333,113)	-	(333,113)
Police Department	(704,160)	-	-	(704,160)	-	(704,160)
Dispatching	(161,097)	-	-	(161,097)	-	(161,097)
Fire Department	(81,823)	-	-	(81,823)	-	(81,823)
Building Inspector	(79,428)	-	-	(79,428)	-	(79,428)
Canine Control	(20,682)	-	-	(20,682)	-	(20,682)
Street Department	(713,004)	-	-	(713,004)	-	(713,004)
Malaria Control	(16,742)	-	-	(16,742)	-	(16,742)
Library	(75,042)	1,867	1,168	(72,007)	-	(72,007)
Park	(59,926)	3,560	-	(56,366)	-	(56,366)
Road Sales Tax Expenses	(54,269)	-	-	(54,269)	-	(54,269)
Trash	(205,038)	24,427	-	(180,611)	-	(180,611)
Bridge Replacement	(6,584)	-	-	(6,584)	-	(6,584)
Record Retention	(5,310)	-	998	(4,312)	-	(4,312)
Flood Levee	(52,484)	-	-	(52,484)	-	(52,484)
Total Governmental Activities	<u>(3,208,403)</u>	<u>121,256</u>	<u>33,136</u>	<u>(3,054,011)</u>	<u>-</u>	<u>(3,054,011)</u>
Business-Type Activities:						
Water & Sewer	(1,109,071)	1,593,367	-	-	484,296	484,296
Swimming Pool	(47,911)	46,999	-	-	(912)	(912)
Total Business-Type Activities	<u>(1,156,982)</u>	<u>1,640,366</u>	<u>-</u>	<u>-</u>	<u>483,384</u>	<u>483,384</u>
Total Primary Government	<u>\$ (4,365,385)</u>	<u>\$ 1,761,622</u>	<u>33,136</u>	<u>\$ (3,054,011)</u>	<u>\$ 483,384</u>	<u>\$ (2,570,627)</u>
General Revenues						
Sales Tax				\$ 2,212,727	\$ -	\$ 2,212,727
Property Taxes				430,334	-	430,334
Investment Income				67,248	-	67,248
Motor Fuel Tax				117,236	-	117,236
Utility and Gross Receipts Tax				523,462	-	523,462
Fines and Municipal Court Fees				229,894	-	229,894
Miscellaneous Income				110,453	-	110,453
Total General Revenues				<u>3,691,354</u>	<u>-</u>	<u>3,691,354</u>
Change in Net Assets				637,343	483,384	1,120,727
Net Assets - Beginning				6,677,610	2,718,727	9,396,337
Net Assets - Ending				<u>\$ 7,314,953</u>	<u>\$ 3,202,111</u>	<u>\$ 10,517,064</u>

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

CITY OF CRYSTAL CITY, MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS

March 31, 2003

	General	Library Fund	Park Fund	Road Tax Fund	Levee Fund	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash, and Time Deposits	\$ 3,008,779	\$ 132,846	\$ 81,794	\$ -	\$ -	\$ 421,866	\$ 3,645,285
Taxes Receivable	16,193	4,276	4,276	-	-	-	24,745
Accounts Receivable	-	-	-	-	-	1,539	1,539
Due From Other Governments	131,210	-	-	691,833	21,032	32,140	876,215
Accrued Interest Receivable	2,873	169	-	-	-	223	3,265
Total Assets	\$ 3,159,055	\$ 137,291	\$ 86,070	\$ 691,833	\$ 21,032	\$ 455,768	\$ 4,551,049
Liabilities:							
Accounts Payable	\$ 29,166	\$ 865	\$ -	\$ -	\$ -	\$ 491	\$ 30,522
Bank Overdrafts	-	-	-	4,969	102,490	108,252	215,711
Accrued Wages Payable	-	-	-	-	-	-	-
Accrued Compensated Absences	52,782	-	-	-	-	4,449	57,231
Other Accrued Liabilities	55,945	-	-	-	-	-	55,945
Total Liabilities	137,893	865	-	4,969	102,490	113,192	359,409
Fund Balances:							
Unreserved, reported in:							
General Fund	3,021,162	-	-	-	-	-	3,021,162
Special Revenue Funds	-	136,426	86,070	686,864	(81,458)	342,576	1,170,478
Total Fund Balances	3,021,162	136,426	86,070	686,864	(81,458)	342,576	4,191,640
Total Liabilities and Fund Balances	\$ 3,159,055	\$ 137,291	\$ 86,070	\$ 691,833	\$ 21,032	\$ 455,768	\$ 4,551,049

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

CITY OF CRYSTAL CITY, MISSOURI
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES

March 31, 2003

Total Governmental Fund Balances	\$ 4,191,640
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	3,248,481
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(125,168)</u>
Net Assets of Governmental Activities	<u>\$ 7,314,953</u>

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

CITY OF CRYSTAL CITY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended March 31, 2003

	General	Library Fund	Park Fund	Road Tax Fund	Levee Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Sales Tax	\$ 1,273,624	\$ -	\$ -	\$ 223,218	\$ 290,501	\$ 425,384	\$ 2,212,727
Property Taxes	283,132	73,601	73,601	-	-	-	430,334
Investment Income	62,684	1,454	-	-	-	3,110	67,248
Motor Fuel Tax	117,236	-	-	-	-	-	117,236
Licenses, Permits, and Fees	91,402	1,867	3,560	-	-	24,427	121,256
Utility and Gross Receipts Tax	523,462	-	-	-	-	-	523,462
Fines and Municipal Court Fees	229,894	-	-	-	-	-	229,894
Miscellaneous Income	93,445	2,621	5,000	-	9,387	-	110,453
Grant Revenue and State Aid	30,970	1,168	-	-	-	998	33,136
Total Revenues	2,705,849	80,711	82,161	223,218	299,888	453,919	3,845,746
Expenditures:							
City Council	10,119	-	-	-	-	-	10,119
Treasurer	1,292	-	-	-	-	-	1,292
Municipal Court	63,605	-	-	-	-	-	63,605
Mayor	4,591	-	-	-	-	-	4,591
Elections	3,311	-	-	-	-	-	3,311
City Clerk	538,844	-	-	-	-	-	538,844
City Hall	288,785	-	-	-	-	-	288,785
Police Department	660,411	-	-	-	-	-	660,411
Dispatching	161,097	-	-	-	-	-	161,097
Fire Department	60,902	-	-	-	-	-	60,902
Building Inspector	79,428	-	-	-	-	-	79,428
Canine Control	20,682	-	-	-	-	-	20,682
Street Department	606,903	-	-	-	-	-	606,903
Malaria Control	16,742	-	-	-	-	-	16,742
Library	-	71,858	-	-	-	-	71,858
Park	-	-	58,494	-	-	-	58,494
Road Sales Tax Expenses	-	-	-	54,269	-	-	54,269
Trash	-	-	-	-	-	205,038	205,038
Bridge Replacement Expenses	-	-	-	-	-	6,584	6,584
Record Retention Expenses	-	-	-	-	-	5,310	5,310
Flood Levee	-	-	-	-	52,484	-	52,484
Capital Outlay	94,442	-	3,822	72,564	592,557	63,811	827,196
Total Expenditures	2,611,154	71,858	62,316	126,833	645,041	280,743	3,797,945
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	94,695	8,853	19,845	96,385	(345,153)	173,176	47,801
Other Financing Sources and Uses:							
Transfers From (To) Other Funds	137,261	-	(137,261)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	231,956	8,853	(117,416)	96,385	(345,153)	173,176	47,801
FUND BALANCE - Beginning of Year	2,789,206	127,573	203,486	590,479	263,695	169,400	4,143,839
FUND BALANCE - End of Year	\$ 3,021,162	\$ 136,426	\$ 86,070	\$ 686,864	\$ (81,458)	\$ 342,576	\$ 4,191,640

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

CITY OF CRYSTAL CITY, 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 March 31, 2003

Net Change in Fund Balances - Total Governmental Funds	\$	47,801
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	827,196
Depreciation expense	<u>(227,795)</u>
	599,401

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 governmental funds:

Accrued compensated absences	<u>(9,859)</u>
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Change in Net Assets of Governmental Activities	\$	<u><u>637,343</u></u>
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The accompanying notes are an integral part of the financial statements.

CITY OF CRYSTAL CITY, MISSOURI
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

March 31, 2003

	Water & Sewer Fund	Swimming Pool Fund	Totals
ASSETS			
Current Assets:			
Cash, and Time Deposits	\$ 463,978	\$ 9,831	\$ 473,809
Restricted Cash	4,682,539	-	4,682,539
Unbilled Revenue	96,973	-	96,973
Accounts Receivable (net)	57,623	-	57,623
Total Current Assets	5,301,113	9,831	5,310,944
Noncurrent Assets:			
Capital Assets (net)	3,865,640	92,900	3,958,540
Unamortized Bond Issue Costs	122,612	-	122,612
Joint Venture	541,585	-	541,585
Total Noncurrent Assets	4,529,837	92,900	4,622,737
Total Assets	\$ 9,830,950	\$ 102,731	\$ 9,933,681
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 24,983	\$ -	\$ 24,983
Sales Tax Payable	7,443	-	7,443
Accrued Interest Payable	85,496	-	85,496
Total Current Liabilities	117,922	-	117,922
Noncurrent Liabilities:			
Customer Deposits Payable	76,475	-	76,475
Accrued Compensated Absences	104,174	-	104,174
Unamortized Bond Premiums	170,199	-	170,199
Revenue Bonds Payable	5,560,000	-	5,560,000
State Revolving Fund Reserve	702,800	-	702,800
Total Noncurrent Liabilities	6,613,648	-	6,613,648
Total Liabilities	6,731,570	-	6,731,570
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	2,091,878	92,900	2,184,778
Unrestricted Net Assets	1,007,502	9,831	1,017,333
Total Net Assets	3,099,380	102,731	3,202,111
Total Liabilities and Net Assets	\$ 9,830,950	\$ 102,731	\$ 9,933,681

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

CITY OF CRYSTAL CITY, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS

For the Year Ended March 31, 2003

	Water & Sewer Fund	Swimming Pool Fund	Totals
Operating Revenues:			
Water and Sewer Charges	\$ 1,587,548	\$ -	\$ 1,587,548
Swimming Pool Fees	-	46,892	46,892
Miscellaneous Revenue	5,819	107	5,926
Total Operating Revenues	1,593,367	46,999	1,640,366
Operating Expenses:			
Personnel	536,793	23,882	560,675
Repairs	357,826	4,143	361,969
Supplies	41,558	7,823	49,381
Telephone	7,624	90	7,714
Utilities	63,003	1,940	64,943
Depreciation	118,760	9,574	128,334
Miscellaneous Expenses	13,778	459	14,237
Total Operating Expenses	1,139,342	47,911	1,187,253
Net Operating Income (Loss)	454,025	(912)	453,113
Non-operating Revenues (Expenses):			
Interest Expense	(372)	-	(372)
Amortization - Bond Issue Costs	(7,577)	-	(7,577)
Amortization - Bond Premiums	8,958	-	8,958
Interest Income	33,653	-	33,653
Loss on Joint Venture	(4,391)	-	(4,391)
Net Non-operating Revenues (Expenses)	30,271	-	30,271
Net Income (Loss)	484,296	(912)	483,384
Total Net Assets at Beginning of Year	2,615,084	103,643	2,718,727
Total Net Assets at End of Year	\$ 3,099,380	\$ 102,731	\$ 3,202,111

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

CITY OF CRYSTAL CITY, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended March 31, 2003

	Water & Sewer Fund	Swimming Pool Fund	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 1,573,184	\$ 46,999	\$ 1,620,183
Payments to Suppliers	(401,468)	(14,455)	(415,923)
Payments to Employees	(534,007)	(23,882)	(557,889)
Net Cash Provided (Used) by Operating Activities	637,709	8,662	646,371
Cash Flows from Capital and Related Financing Activities:			
Proceeds from Issuance of Debt	5,610,092	-	5,610,092
Interest Paid on Debt	(372)	-	(372)
Investment Earnings	33,653	-	33,653
Principal Paid on Debt	(576,230)	-	(576,230)
State Revolving Fund Reserve	702,800	-	702,800
Acquisition of Capital Assets	(1,663,871)	-	(1,663,871)
Net Cash Provided (Used) by Capital and Related Financing Activities	4,106,072	-	4,106,072
Net Increase (Decrease) in Cash	4,743,781	8,662	4,752,443
Balances - Beginning of Year	402,736	1,169	403,905
Balances - End of Year	\$ 5,146,517	\$ 9,831	\$ 5,156,348
Reconciliation of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:			
Operating Income (Loss)	\$ 454,025	\$ (912)	\$ 453,113
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation Expense	118,760	9,574	128,334
Changes in Assets and Liabilities:			
Receivables, net	(20,735)	-	(20,735)
Customer Deposits Payable	552	-	552
Wages and Compensated Absence Payable	2,786	-	2,786
Accounts and Other Payables	82,321	-	82,321
Net Cash Provided by Operating Activities	\$ 637,709	\$ 8,662	\$ 646,371
Noncash Investing, Capital, and Financing Activities:			
None			

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

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Background

The City of Crystal City, Missouri was incorporated in 1911 . It currently operates as a third class city of the State of Missouri under a Mayor, Council form of government.

B. Financial Reporting Entity

Under generally accepted accounting principles, the reporting entity consists of the City and other organizations for which the City is financially accountable or organizations that, because of the nature and significance of their relationship with the City, may not be excluded from the financial reporting entity. Based upon these criteria, the City has determined that there are no other governmental units that should be included in the financial statements.

C. Basis of Presentation - Fund Accounting

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Fund Accounting(Continued)

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - Special Revenue Funds are used to account for specific revenue sources that are restricted to expenditures for specified projects.

Proprietary Fund

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

D. Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

E. Cash and Investments

For the purpose of the Statement of Net Assets, "cash, including time deposits" includes all demand, savings accounts, and certificates of deposit of the City. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

The City had no investments at March 31, 2003.

All deposits are either insured by federal depository insurance or collateralized by securities pledged by the City's agent in the City's name.

F. Inventories

The City does not maintain an inventory of supplies.

G. Receivables

Receivables consist of all revenues earned and not yet received. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated amount deemed to be uncollectible.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the City as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized on a prospective basis beginning April 1, 1999. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets.

Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

I. Unpaid Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused vacation, which will be paid to employees upon separation from the City's service. The City accrues unused portions of vacation pay in the period the fund liability is incurred.

As permitted by Governmental Accounting Standards Board Statement No. 16, the vesting method is used to accrue sick leave liability. The liability is based on the sick leave accumulated at year-end by those employees who are expected to become eligible to receive such payments. The portion not expected to be liquidated with expendable available financial resources is not reported as a fund liability in accordance with Interpretation No. 6 of the Governmental Accounting Standards Board.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Budgets and Budgetary Accounting

In accordance with Chapter 67, RSMo, the City of Crystal City adopts an annual operating budget at the beginning of the fiscal year, which can be amended by the Council throughout the year. Formal budgetary accounting is employed as a management control for all funds of the City. Budgetary comparison schedules are presented in the Supplemental Section as Required Supplemental Information. The budgetary basis is modified accrual basis of accounting.

Actual expenditures exceeded budgeted expenditures in the Levee Fund. This is a violation of state statutes. However, all expenditures were approved by the City Council and there were adequate revenues to cover the expenditures.

K. Post-Employment Benefits

The City does not provide post-employment benefits, except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the City.

L. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied at the end of August and mailed to residents in October, and are payable on or before January 1 of the following year. All unpaid taxes then become delinquent. The City bills and collects its own property taxes. Property tax revenues are recognized when billed.

M. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 2 GENERAL FIXED ASSETS

Changes in fixed assets are as follows for the year ended March 31, 2003:

Governmental Activities

Beginning Balance	\$ 5,373,497
Additions	827,195
Retirements	<u>(13,096)</u>
Ending Balance	6,187,596

Accumulated Depreciation (2,939,115)

Net Book Value \$ 3,248,481

Business Activities

Beginning Balance	\$ 4,989,115
Additions	1,659,670
Retirements	<u>(364,714)</u>
Ending Balance	6,284,071

Accumulated Depreciation (2,325,531)

Net Book Value \$ 3,958,540

NOTE 3 RISK MANAGEMENT

The City is exposed to a variety of accidental losses and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance. The City is a member participant in a public entity risk pool which is a corporate and political body created pursuant to Missouri Statute Chapter 537.70. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 3 RISK MANAGEMENT (Continued)

The City has also purchased commercial insurance for other areas of risk that are not covered by the public entity risk pool that includes reasonable deductible amounts. The portion of uninsured loss is not expected to be significant with respect to the financial position of the City.

NOTE 4 ECONOMIC CONCENTRATIONS

Approximately 42% of the city sales tax revenues received are provided by a single taxpayer located in the City. The taxes are collected by the State of Missouri and paid to the City of Festus, Missouri who pays them to the City of Crystal City.

NOTE 5 RETIREMENT PLAN

A. Plan Description

The City of Crystal City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P. O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

B. Funding Policy

The City of Crystal City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 10.6% (general), 2.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the City Council. The contribution provisions of the City are established by state statute.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 5 RETIREMENT PLAN (Continued)

C. Annual Pension Cost

For 2002, the City's annual pension cost of \$143,193 was equal to the required and actual contributions. The required contribution was determined as part of the February 29, 2000 and/or February 28, 2001 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year depending on age, attributable to seniority/merit, and (d) pre-retirement mortality based on the 1983 Group Annuity Mortality table and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2002 was 15 years.

Three-Year Trend Information

Fiscal Year <u>Ending</u>	Annual Pension Cost (APC)	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
06/30/00	\$121,753	100%	\$0
06/30/01	\$126,157	100%	\$0
06/30/02	\$143,193	100%	\$0

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
02/29/00	2,349,581	2,342,632	<6,949>	100%	1,434,915	
02/28/01	2,781,109	2,396,389	<384,720>	116%	1,521,753	
02/28/02	3,073,081	2,492,405	<580,676>	123%	1,517,279	

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2001 actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 6 FESTUS-CRYSTAL CITY SEWAGE TREATMENT COMMISSION

The City of Crystal City and the City of Festus, Missouri participate in the Festus-Crystal City Sewage Treatment Commission (the Commission) which was formed for the purpose of operating and maintaining a sewage treatment facility for the two cities. Both City Councils appoint three members to the Commission. The City of Crystal City is committed to pay monthly to the Commission an amount equal to 40% of the previous month's costs of operation and maintenance of the shared facility and repairs and replacements of equipment as well as to contribute an additional \$350 per month. Festus is committed to pay the remaining 60% of described costs and additional contribution of \$500 per month. Complete financial statements of the Commission can be obtained directly from its administrative offices. The City accounts for its participation in this joint venture under the equity method of accounting to reflect its 40% ownership of the Commission. The City's interest in the joint venture at March 31, 2003 is \$541,585. On October 14, 2002, the contract was amended and the method of dividing operating expenses was changed.

The Commission maintains its accounts on the cash basis. Total assets and equity of the Commission at March 31, 2003 were \$1,353,962. Commission management stated that no long-term liabilities were outstanding at March 31, 2003.

NOTE 7 PRIOR PERIOD ADJUSTMENTS

The previously stated fund balances have been adjusted as follows:

	<u>Water & Sewer Fund</u>
Fund Balance, April 1, 2002, As Previously Reported	\$ 2,534,589
Restatement of Unbilled Revenue	80,495
Fund Balance, April 1, 2002, As Restated	\$ 2,615,084

NOTE 8 DEFICIT BALANCES

The Bridge Replacement Fund and the Record Retention Fund had deficit fund balances of \$97,144 and \$11,108 respectively. The Levee Fund had a deficit fund balance of \$81,458.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 9 STATE REVOLVING FUND PROGRAM - SEWAGE TREATMENT PLANT
EXPANSION

The Cities of Festus and Crystal City issued bonds on November 7, 2002 through the State Revolving Loan Program in order to construct a new sewage treatment facility. Proceeds from the loan shall be deposited into each city's construction and reserve accounts for their 50% share of the construction costs. The total amount of the bonds issued was \$3,575,000 for each city.

Both cities agree that the City of Festus shall administer all pay requests during the life of the project. Contractors should submit a minimum of at least five (5) signed originals, signed by the contractor, engineer and the owner and submitted directly to the City of Festus no later than the 5th day of each month. The designated representatives of Festus and Crystal City shall both sign as the owner. The signed pay requests shall be submitted to the Missouri Department of Natural Resources no later than the 10th of each month. If approved by MDNR, on or near the 22nd of each month, MDNR authorizes each city's construction and reserve accounts to release one-half of the pay request to each city. Crystal City will have authorized the bank (via a transmittal form signed at the beginning of the project) to send its half to Festus' operating account. The City of Festus will then pay 100% of the pay request to the contractor. The City of Festus will submit to Crystal City a copy of its pay request and supporting documents for their records. Each city is responsible for recording its own monthly activity in the construction and reserve account.

NOTE 10 STATE REVOLVING FUND RESERVE

The City is participating in the State Revolving Fund Program and receives Reserve Payments equal to 50% of the draw down of the construction funds from the \$1,300,000 Series 2000A, Combined Waterworks and Sewerage System Refunding and Improvement Revenue Bond issuance. The amount held in the reserve at March 31, 2003 was \$455,176. These funds are held in trust as security for the bonds.

The City is participating in the State Revolving Fund Program and receives Reserve Payments equal to 70% of the draw down of the construction funds from the \$3,575,000 Series 2002B, Combined Waterworks and Sewerage System Revenue Bond issuance. The amount held in the reserve at March 31, 2003 was \$247,624. These funds are held in trust as security for the bonds.

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 11 LONG-TERM DEBT

Proprietary Fund Long-Term Debt as of March 31, 2003 consists of the following:

Combined Waterworks and Sewerage System Refunding
and Improvement Revenue Bonds Series 2002 A (State Revolving
Fund)

\$1,300,000 originally issued on May 8, 2002, with principal payments due annually on January 1, and interest at rates from 3.00% to 5.15% due semiannually on January 1 and July 1. These bonds mature on January 1, 2023 \$ 1,300,000

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2002 B (State Revolving Fund)

\$3,575,000 originally issued on November 7, 2002 with principal payments due annually on July 1, and interest at rates from 2.05% to 5.5% due semiannually on January 1 and July 1. These bonds mature on July 1, 2023 3,575,000

Combined Waterworks and Sewerage System Revenue Bonds,
Series 2002 A

\$685,000 originally issued on August 15, 2002 with principal payments due annually on September 1, and interest at rates from 3.25% to 4.75% due semiannually on March 1 and September 1. These bonds mature on August 15, 2017. 685,000
\$ 5,560,000

Changes in Proprietary Fund Long-Term Debt during the year ended March 31, 2003, were as follows:

	Balance <u>April 1, 2002</u>	<u>Issued</u>	<u>Retired</u>	Balance <u>March 31, 2003</u>
Revenue Bonds	\$ -0-	\$ 5,560,000	\$ -0-	\$ 5,560,000

CITY OF CRYSTAL CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2003

NOTE 11 LONG-TERM DEBT (Continue)

The combined annual requirements to retire the above long-term debt as of March 31, 2003 are as follows:

<u>Fiscal Year</u> <u>Ending March 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 85,000	\$ 280,694	\$ 365,694
2005	245,000	251,259	496,259
2006	245,000	245,014	490,014
2007	245,000	238,180	483,180
2008	250,000	230,615	480,615
2009 & After	<u>4,490,000</u>	<u>1,953,135</u>	<u>6,443,135</u>
	<u>\$ 5,560,000</u>	<u>\$ 3,198,897</u>	<u>\$ 8,758,897</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CRYSTAL CITY, MISSOURI
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 GENERAL FUND

For the Year Ended March 31, 2003

	General Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues:			
Sales Tax	\$ 1,502,000	\$ 1,502,000	\$ 1,273,624
Property Taxes	280,400	280,400	283,132
Investment Income	100,500	100,500	62,684
Motor Fuel Tax	118,000	118,000	117,236
Licenses, Permits, and Fees	33,850	33,850	91,402
Utility and Gross Receipts Tax	474,000	474,000	523,462
Fines and Municipal Court Fees	238,200	238,200	229,894
Miscellaneous Income	16,600	16,600	93,445
Grant Revenue and State Aid	25,000	25,000	30,970
Total Revenues	<u>2,788,550</u>	<u>2,788,550</u>	<u>2,705,849</u>
Expenditures:			
City Council	10,340	10,340	10,119
Treasurer	1,292	1,292	1,292
Municipal Court	66,808	66,808	63,605
Mayor	5,022	5,022	4,591
Elections	6,000	6,000	3,311
City Clerk	443,840	443,840	538,844
City Hall	511,296	511,296	288,785
Police Department	682,424	682,424	660,411
Dispatching	168,798	168,798	161,097
Fire Department	61,142	61,142	60,902
Building Inspector	83,191	83,191	79,428
Canine Control	22,045	22,045	20,682
Street Department	609,303	609,303	606,903
Malaria Control	42,000	42,000	16,742
Capital Outlay	75,199	75,199	94,442
Total Expenditures	<u>2,788,700</u>	<u>2,788,700</u>	<u>2,611,154</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(150)	(150)	94,695
Other Financing Sources and Uses:			
Transfers From (To) Other Funds	-	-	137,261
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(150)	(150)	231,956
FUND BALANCE - Beginning of Year	<u>2,789,206</u>	<u>2,789,206</u>	<u>2,789,206</u>
FUND BALANCE - End of Year	<u>\$ 2,789,056</u>	<u>\$ 2,789,056</u>	<u>\$ 3,021,162</u>

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

CITY OF CRYSTAL CITY, MISSOURI
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS

For the Year Ended March 31, 2003

	Library Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues:			
Library Revenue	\$ 80,848	\$ 80,848	\$ 80,711
Expenditures:			
Library Expenses	80,848	80,848	71,858
Capital Outlay	-	-	-
Total Expenditures	<u>80,848</u>	<u>80,848</u>	<u>71,858</u>
Excess of Revenues Over (Under) Expenditures	-	-	8,853
FUND BALANCE - Beginning of Year	<u>127,573</u>	<u>127,573</u>	<u>127,573</u>
FUND BALANCE - End of Year	<u>\$ 127,573</u>	<u>\$ 127,573</u>	<u>\$ 136,426</u>
	Park Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues:			
Park Revenue	\$ 80,900	\$ 80,900	\$ 82,161
Expenditures:			
Park Expenses	80,900	80,900	58,494
Capital Outlay	-	-	3,822
Total Expenditures	<u>80,900</u>	<u>80,900</u>	<u>62,316</u>
Excess of Revenues Over (Under) Expenditures	-	-	19,845
Other Financing Sources and Uses:			
Transfers From (To) Other Funds	-	-	(137,261)
FUND BALANCE - Beginning of Year	<u>203,486</u>	<u>203,486</u>	<u>203,486</u>
FUND BALANCE - End of Year	<u>\$ 203,486</u>	<u>\$ 203,486</u>	<u>\$ 86,070</u>
	Road Tax Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues:			
Road Tax Revenue	\$ 200,000	\$ 200,000	\$ 223,218
Expenditures:			
Road Sales Tax Expenses	349,646	349,646	54,269
Capital Outlay	-	-	72,564
Total Expenditures	<u>349,646</u>	<u>349,646</u>	<u>126,833</u>
Excess of Revenues Over (Under) Expenditures	(149,646)	(149,646)	96,385
FUND BALANCE - Beginning of Year	<u>590,479</u>	<u>590,479</u>	<u>590,479</u>
FUND BALANCE - End of Year	<u>\$ 440,833</u>	<u>\$ 440,833</u>	<u>\$ 686,864</u>

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

CITY OF CRYSTAL CITY, MISSOURI
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 SPECIAL REVENUE FUNDS

For the Year Ended March 31, 2003

	Levee Fund		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues:			
Levee Fund Revenue	\$ 185,000	\$ 185,000	\$ 299,888
Expenditures:			
Levee Fund Expenses	-	-	52,484
Capital Outlay	185,000	185,000	592,557
Total Expenditures	<u>185,000</u>	<u>185,000</u>	<u>645,041</u>
Excess of Revenues Over (Under) Expenditures	-	-	(345,153)
FUND BALANCE - Beginning of Year	263,695	263,695	263,695
FUND BALANCE - End of Year	<u>\$ 263,695</u>	<u>\$ 263,695</u>	<u>\$ (81,458)</u>

	Other Non-Major Special Revenue Funds		
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>
Revenues:			
Other Non-Major Fund Revenue	\$ 1,404,700	\$ 1,404,700	\$ 453,919
Expenditures:			
Other Non-Major Fund Expenses	454,700	454,700	216,932
Capital Outlay	-	-	63,811
Total Expenditures	<u>454,700</u>	<u>454,700</u>	<u>280,743</u>
Excess of Revenues Over (Under) Expenditures	950,000	950,000	173,176
FUND BALANCE - Beginning of Year	169,400	169,400	169,400
FUND BALANCE - End of Year	<u>\$ 1,119,400</u>	<u>\$ 1,119,400</u>	<u>\$ 342,576</u>

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

SUPPLEMENTAL SECTION

CITY OF CRYSTAL CITY, MISSOURI
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

March 31, 2003

	Trash Fund	Bridge Replacement Fund	Record Retention Fund	Total Nonmajor Governmental Funds
Assets:				
Cash, and Time Deposits	\$ 421,866	\$ -	\$ -	421,866
Taxes Receivable	-	-	-	-
Accounts Receivable	1,539	-	-	1,539
Due From Other Governments	32,140	-	-	32,140
Accrued Interest Receivable	223	-	-	223
Total Assets	\$ 455,768	\$ -	\$ -	\$ 455,768
Liabilities:				
Accounts Payable	\$ 491	\$ -	\$ -	\$ 491
Bank Overdrafts	-	97,144	11,108	108,252
Accrued Wages Payable	-	-	-	-
Accrued Compensated Absences	4,449	-	-	4,449
Other Accrued Liabilities	-	-	-	-
Total Liabilities	4,940	97,144	11,108	113,192
Fund Balances:				
Unreserved, reported in:				
General Fund	-	-	-	-
Special Revenue Funds	450,828	(97,144)	(11,108)	342,576
Total Fund Balances	450,828	(97,144)	(11,108)	342,576
Total Liabilities and Fund Balances	\$ 455,768	\$ -	\$ -	\$ 455,768

CITY OF CRYSTAL CITY, MISSOURI
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended March 31, 2003

	Trash Fund	Bridge Replacement Fund	Record Retention Fund	Total Nonmajor Governmental Funds
Revenues:				
Sales Tax	\$ 425,384	\$ -	\$ -	\$ 425,384
Property Taxes	-	-	-	-
Investment Income	3,110	-	-	3,110
Motor Fuel Tax	-	-	-	-
Licenses, Permits, and Fees	24,427	-	-	24,427
Utility and Gross Receipts Tax	-	-	-	-
Fines and Municipal Court Fees	-	-	-	-
Miscellaneous Income	-	-	-	-
Grant Revenue and State Aid	-	-	998	998
Total Revenues	452,921	-	998	453,919
Expenditures:				
City Council	-	-	-	-
Treasurer	-	-	-	-
Municipal Court	-	-	-	-
Mayor	-	-	-	-
Elections	-	-	-	-
City Clerk	-	-	-	-
City Hall	-	-	-	-
Police Department	-	-	-	-
Dispatching	-	-	-	-
Fire Department	-	-	-	-
Building Inspector	-	-	-	-
Canine Control	-	-	-	-
Street Department	-	-	-	-
Malaria Control	-	-	-	-
Library	-	-	-	-
Park	-	-	-	-
Road Sales Tax Expenses	-	-	-	-
Trash	205,038	-	-	205,038
Bridge Replacement Expenses	-	6,584	-	6,584
Record Retention Expenses	-	-	5,310	5,310
Flood Levee	-	-	-	-
Capital Outlay	-	63,811	-	63,811
Total Expenditures	205,038	70,395	5,310	280,743
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	247,883	(70,395)	(4,312)	173,176
FUND BALANCE - Beginning of Year	202,945	(26,749)	(6,796)	169,400
FUND BALANCE - End of Year	\$ 450,828	\$ (97,144)	\$ (11,108)	\$ 342,576

FEDERAL FINANCIAL ASSISTANCE

CITY OF CRYSTAL CITY, MISSOURI
SCHEDULE OF FEDERAL AWARDS

For the Year Ended March 31, 2003

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Environmental Protection Agency:		
Capitalization Grants for State Revolving Funds	66.458	\$ 208,573
Capitalization Grants for Drinking Water State Revolving Fund	66.468	<u>271,578</u>
Total		<u>\$ 480,151</u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Crystal City, Missouri and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - STATE REVOLVING LOAN PROGRAM

Total funds received in the reserve under this program from federal sources were \$480,151.

CITY OF CRYSTAL CITY, MISSOURI
SCHEDULE OF FEDERAL AWARDS

For the Year Ended March 31, 2003

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? _____ Yes x No

Reportable conditions identified that are not considered to be material weaknesses? _____ Yes x None Reported

Noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Material weaknesses identified? _____ Yes x No

Reportable conditions identified that are not considered to be material weaknesses? _____ Yes x None Reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reportable in accordance with section 501(a) of Circular A-133? _____ Yes x No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
66.458	Environmental Protection Agency: Capitalization Grants for State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ Yes x No

CITY OF CRYSTAL CITY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended March 31, 2003

SECTION II - Financial Statement Findings

There are no findings.

CITY OF CRYSTAL CITY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended March 31, 2003

SECTION III- Federal Findings and Questioned Costs

There are no findings.

CITY OF CRYSTAL CITY, MISSOURI
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Year Ended March 31, 2003

Section III - Schedule of Prior Year Findings and Questioned Costs

There were no prior year findings.