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Financial Report, 2004

City of Glendale

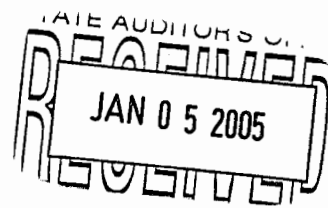
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CITY OF GLENDALE, MISSOURI

FINANCIAL REPORT
(Audited)

Year Ended June 30, 2004

CITY OF GLENDALE, MISSOURI
FINANCIAL REPORT

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Hochschild, Bloom & Company LLP

Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITORS' REPORT

August 19, 2004

Honorable Mayor and Members of the Board of Aldermen
CITY OF GLENDALE, MISSOURI

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF GLENDALE, MISSOURI** (the City) as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. 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 aggregated remaining fund information of the City at June 30, 2004, and the respective changes in financial position and cash flows, where applicable thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

During the fiscal year ended June 30, 2004, the City has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

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

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Nochschild, Bloom + Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

**City of Glendale
Management's Discussion and Analysis
June 30, 2004**

As the financial managers of the City of Glendale, Missouri, we offer readers of the City of Glendale's financial statements this narrative overview and analysis of the financial activities of the City of Glendale, Missouri for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

Financial Highlights

- On a government-wide basis the assets of the City of Glendale exceeded its liabilities for the most recent fiscal year by \$ 1,980,993. Of this amount, \$ 211,022 may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Glendale's governmental funds reported combined ending fund balances of \$ 961,487, which is a decrease of \$ 145,262 in comparison to the prior year. Approximately 99% of this total amount or \$ 955,853 is available for spending at the City's discretion.
- At the end of the current fiscal year, the unreserved fund balance for the general fund was \$704,089 or 24% of total general fund expenditures, 1% below the target in the city's fiscal policy.
- The City of Glendale's total debt decreased by \$ 104,704 or 10.6 % during the current fiscal year, as a result of continued annual payments of principal on a joint venture obligation, two (2) lease purchases and a notes payable.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Glendale, Missouri's basic financial statements. The City of Glendale, Missouri's basic financial statements comprise 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 and other 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 of Glendale, Missouri's finances, in a manner similar to a private-sector business. Please note that these government-wide financial statements exclude fiduciary fund activities.

The *statement of net assets* presents information on all of the City of Glendale'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 of Glendale, Missouri 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued vacation leave).

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

Business-Type Activities

The City of Glendale, Missouri's business-type activities consist of its refuse collection and disposal services, which are operated under a contractual arrangement with a private hauler. These operations derive revenues from charges for services that are intended to recoup the full cost of operations.

The government-wide financial statements include only the City of Glendale, Missouri itself (known as the *primary government*), as the City does not have any component units to be included herein.

The government-wide financial statements can be found on pages twelve (12) through thirteen (13) of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Glendale, Missouri, 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 of Glendale, Missouri can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term 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 the government-wide *governmental activities*.

The City of Glendale, Missouri maintains five 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 balances for the General Fund, Sewer Lateral Fund, Pension Tax Fund, General Capital Improvements Fund, and Parks and Stormwater Improvements Fund, all of which are considered major funds.

The City of Glendale, Missouri, adopts an annual appropriated budget for its General Fund, Sewer Lateral Fund, Pension Tax Fund, General Capital Improvements Fund, and Parks and Stormwater Improvements 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 fourteen (14) through seventeen (17) of this report.

Proprietary Funds

Proprietary Funds are to be used to report the same functions presented as *business-type activities* in the government-wide financial statements. These statements include one enterprise fund utilized for the City's refuse collection and disposal.

The Proprietary Enterprise Fund financial statements can be found on pages eighteen (18) through twenty (20).

Fiduciary Funds

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

The statement of fiduciary net assets can be found on pages twenty-one (21) through twenty-two (22) 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 twenty-three (23) through thirty-nine (39) of this report.

Required Supplementary Information

In addition to the financial statements and notes to the financial statements, this report presents required supplementary information concerning the City's budgetary comparisons for the General, Sewer Lateral, and Pension Tax Funds.

The required supplementary information can be found on pages forty-one (41) through fifty (50) of this report.

Other Supplemental Information

The individual fund statements provide fund level detail for all budgeted other major Governmental Funds and the Enterprise Fund.

The other supplemental information can be found on pages fifty-two (52) through fifty-four (54) of this report.

Financial Analysis of the City as a whole

This is the first year that the City has presented its financial statements under the new reporting model required by the 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 for Management's Discussion & Analysis. In future years when prior-year information is available, a comparative analysis of government-wide data will be included in this report.

Net Assets- The City's combined net assets are approximately \$ 1,980,993. Looking at the net assets of governmental and business-type activities separately provides additional information.

The condensed statement of net assets is as follows:

Condensed Statement of Net Assets June 30, 2004

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Assets			
Current and other assets	\$ 1,243,117	\$ 59,735	\$ 1,302,852
Capital assets, net	<u>1,972,279</u>	<u>-</u>	<u>1,972,279</u>
Total Assets	<u>3,215,396</u>	<u>59,735</u>	<u>3,275,131</u>
Liabilities			
Long-term liabilities	991,827	-	991,827
Other liabilities	<u>258,052</u>	<u>44,259</u>	<u>302,311</u>
Total Liabilities	<u>1,249,879</u>	<u>44,259</u>	<u>1,294,138</u>
Net Assets			
Invested in capital assets, net of related debt	1,769,971	-	1,769,971
Unrestricted	<u>195,546</u>	<u>15,476</u>	<u>211,022</u>
Total Net Assets	<u>\$ 1,965,517</u>	<u>\$ 15,476</u>	<u>\$ 1,980,993</u>

As provided above, at the end of the current fiscal year, the City of Glendale, Missouri is able to report positive balances in two categories of net assets, both for the government as a whole, as well as for its separate governmental and business activities.

Governmental activities- Governmental activities increased the City of Glendale, Missouri's net assets by \$116,028. The Condensed Statement of Changes in Net Assets is as follows.

**Condensed Statement of Changes in Net Assets
For The Year Ended June 30, 2004**

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Revenues:			
<i>Program Revenues:</i>			
Charges for services	\$ 506,330	\$ 546,255	\$ 1,052,585
Operating grants & contributions	378,497	-	378,497
Capital grants & contributions	30,250	-	30,250
<i>General Revenues:</i>			
Property taxes	690,599	-	690,599
Other taxes	1,791,482	-	1,791,482
Licenses (taxes)	36,116	-	36,116
Investment income	10,269	-	10,269
Intergovernmental income	21,695	-	21,695
Gain on sale of capital assets	8,078	-	8,078
Miscellaneous	39,489	-	39,489
<i>Total Revenues</i>	<u>3,512,805</u>	<u>546,255</u>	<u>4,059,060</u>
Expenses:			
General government	425,890	-	425,890
Municipal court	46,360	-	46,360
Police department	945,637	-	945,637
Dispatching	220,130	-	220,130
Fire department	942,440	-	942,440
Public works	826,948	-	826,948
Interest & fiscal charges	34,593	-	34,593
Sanitation	-	501,034	501,034
<i>Total Expenses</i>	<u>3,441,998</u>	<u>501,034</u>	<u>3,943,032</u>
Transfers	<u>(11)</u>	<u>11</u>	<u>-</u>
Change in net assets	70,796	45,232	116,028
Net Assets, Beginning of year	<u>1,894,721</u>	<u>(29,756)</u>	<u>1,864,965</u>
Net Assets, End of year	<u>\$ 1,965,517</u>	<u>\$ 15,476</u>	<u>\$ 1,980,993</u>

Financial Analysis of the Governmental Funds

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

Governmental Funds

The focus of the City of Glendale, Missouri's governmental funds is to provide information on inflows 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 the end of year 2004 the unreserved fund balance of the general fund was \$704,089, while the total fund balance was \$709,723. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 23.9% of total general fund expenditures and transfers out of \$2,946,691, while total fund balance represents 24.1 % of total general fund expenditures and transfers out.

The fund balance in the City's general fund decreased by \$88,258 or 11.1% from the prior year fund balance. The changes of the current year's fund balances are mainly due to:

- Sales tax revenues are stagnant as a result of slow economic activity experienced throughout St. Louis County.
- Continued increasing personnel expenditures that are increasing at a faster rate than revenue growth.
- Higher than anticipated expenses in the Police and Public Works departments.

Proprietary Funds

The City's proprietary enterprise fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Sanitation fund at the end of year amounted to \$ 15,476, a change in net assets of \$ 45,232.

Fiduciary Funds

The City maintains Fiduciary funds for the assets of the City of Glendale's Fireman and Policemen's Pension Plan. The net assets of the Pension Trust Fund totaled \$ 3,329,421 representing an increase of \$457,735 in total net assets over the last fiscal year.

General Fund Budgetary Highlights

The total original and final budgeted amounts were the same. In the general fund the following major variances occurred between budgeted and actual amounts.

- Total revenue of \$ 2,858,338 was \$53,142 less than original budget. The major differences were shortfalls in sales tax of \$39,627 and \$23,342 in investment income.
- Four of the six operating departments finished the year with a budget surplus.
- The Police Department deficit was a result of higher than anticipated operating expenditures.
- Public Works deficit spending can be attributed to higher snow removal expenditures, which were \$ 19,076 greater than the budgeted amount.

Capital Assets

The City has invested \$ 3,207,824 in a broad range of capital assets, including park facilities, roads, buildings, machinery & equipment, and automobiles & trucks. This amount represents a net increase for the current fiscal year (including additions and deductions) of \$ 220,326.

**Capital Assets,
Net of Depreciation
June 30, 2004**

	<u>Governmental Activities</u>
Land (in Bldg & Improvements)	\$ 813,000
Building & other improvements	486,019
Machinery, equipment & vehicles	612,959
Office furniture & equipment	49,224
Infrastructure (including construction in progress)	<u>11,077</u>
Total	<u>\$ 1,972,279</u>

Additional information on the City's capital assets can be found in Note C in the notes to the basic financial statements.

Long-Term Debt

At the end of June 2004, the City had outstanding long-term debt obligations for governmental activities in the amount of \$ 885,362 compared to \$ 990,066 in 2003. Of this amount, \$ 128,036 is Capital lease obligations, \$ 683,054 in a Joint Venture Obligation, \$ 74,272 in Notes outstanding. The 10.6 % decrease in the City's long-term debt obligations is due to meeting the amortization schedules for these obligations.

The City's governmental activities debt is detailed below:

Outstanding Long-Term Debt Obligations June 30, 2004

	<u>Fiscal Year 2004</u>	<u>Fiscal Year 2003</u>	<u>% Change</u>
Capital Lease Obligations (Vehicles)	\$ 128,036	\$ 162,446	(27%)
Joint Venture Obligation (Share of Aquatic Center)	683,054	728,591	(6%)
Note Payable (Computer Aided Dispatch & Record Management System)	<u>74,272</u>	<u>99,029</u>	<u>(25%)</u>
Total	<u>\$ 885,362</u>	<u>\$ 990,066</u>	<u>(11%)</u>

Additional information on the City's long-term debt can be found in Note D in the notes to the basic financial statements.

Draft Economic Factors and Next Year's Budget

General Fund Revenue for FY 2004-05 is projected to increase by approximately 2.9% from the revised 2003-04 Budget for a total of \$2,916,385. The expenditure side of the budget is expected to increase by 3.1% from the 2003-04 revised budget for a total of \$3,066,496. The 2004-05 General Fund Budget will again operate on a deficit basis, with a shortfall of \$150,111. As a result of this shortfall we expect the General Fund balance to decline about 20% to approximately \$553,978.

The most important factor that impacts City revenue has been the economy and its effect on the 1-cent sales tax, which has failed to provide sufficient revenue for annual increases in operating costs. To meet our current and future expenditure needs it will be necessary that we put forth several revenue enhancement proposals to voters in 2004-05. Recommendations regarding specific revenue enhancement proposals the Mayor and Board of Aldermen could consider are outlined in the 2004-05 Annual Operating Budget General Fund Summary.

The Capital Improvement Fund totals \$757,118 in revenue and \$751,271 in expenditures for FY 2004-05. Revenue and expenditures for this fund are anticipated to increase dramatically from 2003-04 as a result of several major capital projects slated for this year. Revenue is significantly higher than what is available from the ½-cent capital improvement sales tax, because it is anticipated there will be a significant transfer from the Parks and Stormwater Fund and several grant reimbursements included in the budget. Revenue from the ½-cent Capital Improvement Tax is showing the same stagnant pattern of growth as the 1-cent sales tax for the General Fund. The fund balance should remain at approximately the current level of \$79,378.

The Parks and Stormwater Fund is projected to have revenues and expenditures in 2004-05 totaling both \$130,500. It is anticipated that the Parks and Stormwater Fund balance will remain about the same in 2004-2005 at \$249,813. The Sanitary Lateral Fund will continue to operate in deficit until the sewer lateral fee is increased which is proposed to be placed on the ballot in the upcoming fiscal year.

The City of Glendale's current sanitation contract with Midwest Waste will expire on December 31, 2004. The City has discussed with Midwest the possibility of a renewal at the current contract rate. If the City is not able to negotiate such an extension, the contract will have to be bid out. If the contract is bid out, we will have a new sanitation fee schedule to place on the November Ballot. Projected revenue and expenditures for 2004-05 are \$559,661 and \$556,576, respectively. There should be little or no fund balance carried over from year to year from this pay-as-you-go Enterprise Fund.

We anticipate that the Pension Fund will continue to operate in deficit for another year until the return on investments of Plan Assets shows improvement. The actuarial cost for the plan will again exceed available revenue from the property tax levy in 2004-05, because of poor investment returns from last year. There is always a delay in recognition by the Actuary of improved investment return in determining the annual actuarial cost. Nevertheless, the Pension Plan remains well funded and is able to absorb several years under performance of investments.

Requests for Information

This financial report is designed to provide a general overview of the City of Glendale, Missouri's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Officer, 424 N. Sappington Road, Glendale, MO 63122.

CITY OF GLENDALE, MISSOURI
STATEMENT OF NET ASSETS
JUNE 30, 2004

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 200,344	-	200,344
Investments	750,000	-	750,000
Receivables, net:			
Taxes	291,842	-	291,842
Interest	2,002	-	2,002
Court	14,301	-	14,301
Other	4,758	24,851	29,609
Inventory	-	2,845	2,845
Internal balances	(32,039)	32,039	-
Cash - restricted	11,909	-	11,909
Capital assets, net of accumulated depreciation	1,972,279	-	1,972,279
Total Assets	<u>3,215,396</u>	<u>59,735</u>	<u>3,275,131</u>
LIABILITIES			
Accounts payable	98,032	44,061	142,093
Accrued wages	20,386	198	20,584
Accrued interest payable	10,946	-	10,946
Appearance bonds	6,275	-	6,275
Due to Fiduciary Fund	98,939	-	98,939
Other liabilities	23,474	-	23,474
Long-term liabilities:			
Due within one year	149,699	-	149,699
Due in more than one year	842,128	-	842,128
Total Liabilities	<u>1,249,879</u>	<u>44,259</u>	<u>1,294,138</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,769,971	-	1,769,971
Unrestricted	195,546	15,476	211,022
Total Net Assets	<u>\$ 1,965,517</u>	<u>15,476</u>	<u>1,980,993</u>

CITY OF GLENDALE, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenues (Expenses) And Changes In Net Assets Primary Government		
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities	Business-type Activities	Totals
Primary Government							
Governmental Activities							
General government	\$ 425,890	76,788	-	-	(349,102)	-	(349,102)
Municipal court	46,360	183,576	-	-	137,216	-	137,216
Police department	945,637	-	19,004	30,250	(896,383)	-	(896,383)
Dispatching	220,130	-	-	-	(220,130)	-	(220,130)
Fire department	942,440	183,639	-	-	(758,801)	-	(758,801)
Public works	826,948	62,327	359,493	-	(405,128)	-	(405,128)
Interest and fiscal charges	34,593	-	-	-	(34,593)	-	(34,593)
Total Governmental Activities	3,441,998	506,330	378,497	30,250	(2,526,921)	-	(2,526,921)
Business-type Activities							
Sanitation Fund	501,034	546,255	-	-	-	45,221	45,221
Total Primary Government	\$ 3,943,032	1,052,585	378,497	30,250	(2,526,921)	45,221	(2,481,700)
General Revenues							
Taxes:							
Property taxes, levied for general purpose					579,321	-	579,321
Property taxes, levied for pension					111,278	-	111,278
Sales and local use taxes					906,757	-	906,757
Capital improvements tax					326,591	-	326,591
Gross receipts tax					503,948	-	503,948
Miscellaneous taxes					54,186	-	54,186
Intergovernmental					21,695	-	21,695
Licenses (taxes)					36,116	-	36,116
Investment income					10,269	-	10,269
Gain on sale of capital assets					8,078	-	8,078
Miscellaneous					39,489	-	39,489
Transfers					(11)	11	-
Total General Revenues					2,597,717	11	2,597,728
CHANGE IN NET ASSETS					70,796	45,232	116,028
NET ASSETS, JULY 1					1,894,721	(29,756)	1,864,965
NET ASSETS, JUNE 30					\$ 1,965,517	15,476	1,980,993

See notes to financial statements

CITY OF GLENDALE, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2004

	<u>General</u>	<u>Sewer Lateral</u>	<u>General Capital Improvements</u>	<u>Parks And Stormwater Improvements</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 199,161	1,183	-	-	200,344
Investments	750,000	-	-	-	750,000
Receivables:					
Taxes	226,009	-	47,041	18,792	291,842
Interest	2,002	-	-	-	2,002
Court	14,301	-	-	-	14,301
Other	1,997	2,761	-	-	4,758
Due from other funds	61,371	-	94,083	231,021	386,475
Cash - restricted	11,909	-	-	-	11,909
	<u>1,266,750</u>	<u>3,944</u>	<u>141,124</u>	<u>249,813</u>	<u>1,661,631</u>
Total Assets	<u>\$ 1,266,750</u>	<u>3,944</u>	<u>141,124</u>	<u>249,813</u>	<u>1,661,631</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 36,286	-	61,746	-	98,032
Accrued wages	20,386	-	-	-	20,386
Appearance bonds	6,275	-	-	-	6,275
Due to other funds	436,082	81,371	-	-	517,453
Deferred revenue	34,524	-	-	-	34,524
Other liabilities	23,474	-	-	-	23,474
Total Liabilities	<u>557,027</u>	<u>81,371</u>	<u>61,746</u>	<u>-</u>	<u>700,144</u>
Fund Balances (Deficit)					
Reserved:					
DEA Funds	5,634	-	-	-	5,634
Unreserved:					
General Fund	704,089	-	-	-	704,089
Special Revenue Fund	-	(77,427)	-	-	(77,427)
Capital Projects Fund	-	-	79,378	249,813	329,191
Total Fund Balances (Deficit)	<u>709,723</u>	<u>(77,427)</u>	<u>79,378</u>	<u>249,813</u>	<u>961,487</u>
Total Liabilities And Fund Balances	<u>\$ 1,266,750</u>	<u>3,944</u>	<u>141,124</u>	<u>249,813</u>	<u>1,661,631</u>

See notes to financial statements

CITY OF GLENDALE, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2004

Total Fund Balances - Governmental Funds \$ 961,487

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$3,207,824 and the accumulated depreciation is \$1,235,545. 1,972,279

Revenues in the statement of activities that do not provide current financial resources are not reported deferred as revenue in the funds. 34,524

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities (both current and long-term) are reported on the government-wide statement of net assets.

Long-term liabilities at year-end consist of:

Accrued compensated absences	(106,465)
Capital leases outstanding	(128,036)
Joint venture outstanding	(683,054)
Notes payable outstanding	(74,272)
Accrued interest on outstanding debts	(10,946)
	(1,602,773)

Net Assets Of Governmental Activities \$ 1,965,517

CITY OF GLENDALE, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	<u>General</u>	<u>Sewer Lateral</u>	<u>Pension Tax</u>	<u>General Capital Improvements</u>	<u>Parks And Stormwater Improvements</u>	<u>Total Governmental Funds</u>
REVENUES						
General taxes	\$ 1,864,042	62,327	111,278	326,591	122,620	2,486,858
Intergovernmental	583,831	-	-	-	-	583,831
Licenses and permits	169,002	-	-	-	-	169,002
Municipal court	183,576	-	-	-	-	183,576
Miscellaneous	57,887	7	-	4	-	57,898
Total Revenues	<u>2,858,338</u>	<u>62,334</u>	<u>111,278</u>	<u>326,595</u>	<u>122,620</u>	<u>3,481,165</u>
EXPENDITURES						
Current:						
General government	323,705	-	111,278	-	-	434,983
Municipal court	46,360	-	-	-	-	46,360
Police department	866,966	-	-	-	-	866,966
Dispatching	199,756	-	-	-	-	199,756
Fire department	991,709	-	-	-	-	991,709
Public works	518,184	-	-	-	-	518,184
Capital outlay	-	84,736	-	323,125	19,014	426,875
Debt service:						
Principal	-	-	-	60,434	45,537	105,971
Interest and fiscal charges	-	-	-	8,454	27,158	35,612
Total Expenditures	<u>2,946,680</u>	<u>84,736</u>	<u>111,278</u>	<u>392,013</u>	<u>91,709</u>	<u>3,626,416</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(88,342)</u>	<u>(22,402)</u>	<u>-</u>	<u>(65,418)</u>	<u>30,911</u>	<u>(145,251)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	95	-	-	-	-	95
Transfers out	(11)	-	-	(95)	-	(106)
Total Other Financing Sources (Uses)	<u>84</u>	<u>-</u>	<u>-</u>	<u>(95)</u>	<u>-</u>	<u>(11)</u>
NET CHANGE IN FUND BALANCES	<u>(88,258)</u>	<u>(22,402)</u>	<u>-</u>	<u>(65,513)</u>	<u>30,911</u>	<u>(145,262)</u>
FUND BALANCES (DEFICIT), JULY 1	<u>797,981</u>	<u>(55,025)</u>	<u>-</u>	<u>144,891</u>	<u>218,902</u>	<u>1,106,749</u>
FUND BALANCES (DEFICIT), JUNE 30	<u>\$ 709,723</u>	<u>(77,427)</u>	<u>-</u>	<u>79,378</u>	<u>249,813</u>	<u>961,487</u>

CITY OF GLENDALE, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

Net Change In Fund Balances - Governmental Funds \$ (145,262)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$245,857) exceeded depreciation (\$142,966) in the current period. 102,891

Revenues in the statement of activities that do not provide current financial resources are not reported deferred as revenues in the funds. 3,364

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Repayments during the current year:

Capital leases obligation	34,410	
Joint venture obligation	45,537	
Note payable	24,757	104,704

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net assets. 28,276

Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.

Accrued compensated absences	(24,196)	
Accrued interest on outstanding debt	1,019	(23,177)

Change In Net Assets Of Governmental Activities \$ 70,796

CITY OF GLENDALE, MISSOURI
STATEMENT OF NET ASSETS - ENTERPRISE FUND
JUNE 30, 2004

ASSETS

Receivables:

Other

\$ 24,851

Inventory

2,845

Due from General Fund

32,039

Total Assets

59,735

LIABILITIES

Accounts payable

44,061

Accrued wages

198

Total Liabilities

44,259

NET ASSETS

Unrestricted

\$ 15,476

CITY OF GLENDALE, MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUES	
Charges for sanitation services	<u>\$ 546,255</u>
OPERATING EXPENSES	
Personnel services	17,698
Operating supplies	4,401
Other services and charges	<u>478,935</u>
Total Operating Expenses	<u>501,034</u>
OPERATING INCOME BEFORE TRANSFERS	45,221
TRANSFER IN	<u>11</u>
CHANGE IN NET ASSETS	45,232
NET ASSETS, JULY 1	<u>(29,756)</u>
NET ASSETS, JUNE 30	<u><u>\$ 15,476</u></u>

CITY OF GLENDALE, MISSOURI
STATEMENT OF CASH FLOWS -
ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2004

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

Cash flows from operating activities:

Receipts from customers and users	\$ 546,255
Payments to suppliers	(503,358)
Net Cash Provided By Operating Activities	<u>42,897</u>

Cash flows from noncapital financing activities:

Due from General Fund	(32,039)
Operating transfers from General Fund	11
Net Cash Used In Noncapital Financing Activities	<u>(32,028)</u>

Cash flows used in investing activities:

Due to General Fund	<u>(10,869)</u>
---------------------	-----------------

NET INCREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS, JULY 1

CASH AND CASH EQUIVALENTS, JUNE 30

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	\$ 45,221
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Increase) decrease in:	
Accounts receivable	(2,131)
Inventory	(819)
Increase (decrease) in:	
Accounts payable	1,010
Accrued wages	(384)
Total Adjustments	<u>(2,324)</u>
Net Cash Provided By Operating Activities	<u>\$ 42,897</u>

CITY OF GLENDALE, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUND
JUNE 30, 2004

ASSETS	
Investments	\$ 3,230,482
Due from General Fund	<u>98,939</u>
Total Assets	<u><u>\$ 3,329,421</u></u>
 NET ASSETS	
Reserved for employees' retirement system	<u><u>\$ 3,329,421</u></u>

CITY OF GLENDALE, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
PENSION TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2004

ADDITIONS

Contributions:

Employer contributions	\$ 111,278
Employee contributions	39,102
Total Contributions	150,380

Investment income:

Net appreciation in fair value of investments and interest and dividends	464,489
Investment expense	(13,614)
Net Investment Income	450,875
Total Additions	601,255

DEDUCTIONS

Benefits:

Retirement	99,462
Other	36,374
Withdrawals	7,684
Total Deductions	143,520

CHANGE IN NET ASSETS

457,735

NET ASSETS, JULY 1

2,871,686

NET ASSETS, JUNE 30

\$ 3,329,421

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and financial reporting policies of the **CITY OF GLENDALE, MISSOURI** (the City) conform to U.S. generally accepted accounting principles (GAAP) as applied to government entities. The following is a summary of the more significant policies:

1. Reporting Entity

The City defines its financial reporting entity in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* (GASB 14). GASB 14 requirements for inclusion of component units are based primarily upon whether the City's governing body has any significant amount of financial accountability for potential component units. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or there is a potential for the potential component unit to provide specific financial benefits to, or impose specific financial burdens on, the City. The City does not have any component units.

2. Government-wide and Fund Financial Statements

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

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

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

3. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus and Basis of Accounting (Continued)

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

Governmental fund financial statements are reported using the financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 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, are recorded only when payment is due (i.e., matured).

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

The government reports the following major governmental funds:

General Fund -- This fund is the general 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 Lateral Fund -- This fund is a Special Revenue Fund used to account for special revenues received which are specifically earmarked for expenditures for repairs to residential sanitary sewer laterals.

Pension Tax Fund -- This fund is a Special Revenue Fund used to accumulate taxes for the Pension Trust Fund.

General Capital Improvements Fund -- This fund is a Capital Projects Fund for use of the ½¢ capital improvement sales tax.

Parks and Stormwater Improvements Fund -- This fund is a Capital Projects Fund used to cover the share of the expenses for constructing and maintaining a jointly operated Aquatic Center with the Cities of Kirkwood and Oakland.

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus and Basis of Accounting (Continued)

The government reports the following major proprietary fund:

Enterprise Fund (Sanitation Fund) -- This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the government reports the following fund type:

Pension Trust Fund -- This fund is used to account for assets held by the City in a trustee capacity or as an agent for individual, private organizations, other governmental units, and/or other funds. The Pension Trust Fund is accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. The City's Pension Trust Fund includes the assets of the Firemen's and Policemen's Pension Fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and Enterprise Fund, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments-in-lieu of taxes and other charges and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contribution, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Fund are charges for sanitation

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus and Basis of Accounting (Continued)

services. Operating expenses for the Enterprise Fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

4. Cash and Cash Equivalents

The City considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Cash and cash equivalents are comprised of the City's cash deposits with banks and petty cash funds, money market mutual funds, and certificates of deposit.

5. Investments

Investments in the Pension Trust Fund are held in deposit administration contracts which are reported at contract value.

6. Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method.

7. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, sidewalks, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and estimated useful life in excess of one year. 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 on the date of donation. The City has elected not to retroactively report infrastructure constructed prior to July 1, 2003.

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

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

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Capital Assets (Continued)

Assets	Years
Building and improvements	10 - 40
Office, furniture, and equipment	10 - 25
Machinery, equipment, and vehicles	5 - 20

8. Compensated Absences

Vacations accrue to employees based on years of service on January 1 of each year and may not be carried over into the next year, except as authorized by the City. Sick leave accumulated at a rate of one day per month, except that employees with 20 or more years of continued service will accumulate sick leave at a rate of 1½ days per month. A maximum of 60 days may be accumulated. Sick leave is only available to provide compensation during periods of illness.

9. Interfund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

Transfers -- Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

10. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September of each year based on the assessed value as of the prior January 1 for all real and personal property located within the City. Payment is due upon receipt of billing and becomes delinquent after December 31. Property taxes are billed and collected by St. Louis County and remitted by the County to the City.

11. Fund Balance Reserved

Within the governmental fund financial statements, reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriation or is legally segregated for a specific future use. Reserved fund balance at June 30, 2004 is comprised of Drug Enforcement Agency (DEA) Funds.

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Long-term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

13. Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires the City to make estimates and assumptions that affect the reported amounts in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

14. Allowance for Doubtful Accounts

Management believes there are no significant uncollectible receivables, therefore, no allowance for doubtful accounts has been recorded.

15. Restricted Assets

Certain resources set aside for DEA Funds and court bond deposits are classified as restricted assets on the balance sheet because their use is limited to police liabilities and repayment of deposits.

NOTE B - DEPOSITS AND INVESTMENTS

1. Deposits

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. As of June 30, 2004, the City's bank deposits were fully insured and collateralized with securities held by the City or its agent in the City's name. For balance sheet purposes \$750,000 of certificates of deposit are classified as investments due to their maturity dates.

2. Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities. The City's investments consist of the following:

	<u>June 30, 2004</u> <u>Carrying Amount/ Contract Value</u>
Fiduciary Fund - Pension Group Annuity Trust Fund	\$3,230,482

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - FIXED ASSETS

The following is a summary of changes in capital assets - governmental activities:

	<u>For The Year Ended June 30, 2004</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>June 30</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
	<u>2003</u>			<u>2004</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 810,000	3,000	-	813,000
Construction in progress	<u>-</u>	<u>11,077</u>	<u>-</u>	<u>11,077</u>
Total Capital Assets Not Being Depreciated	<u>810,000</u>	<u>14,077</u>	<u>-</u>	<u>824,077</u>
Capital assets being depreciated:				
Buildings and other improvements	671,691	204,436	-	876,127
Office furniture and equipment	82,855	-	-	82,855
Machinery, equipment, and vehicles	<u>1,422,952</u>	<u>57,594</u>	<u>55,781</u>	<u>1,424,765</u>
Total Capital Assets Being Depreciated	<u>2,177,498</u>	<u>262,030</u>	<u>55,781</u>	<u>2,383,747</u>
Less - Accumulated depreciation for:				
Buildings and other improvements	357,875	32,233	-	390,108
Office furniture and equipment	27,742	5,889	-	33,631
Machinery, equipment, and vehicles	<u>760,768</u>	<u>104,844</u>	<u>53,806</u>	<u>811,806</u>
Total Accumulated Depreciated	<u>1,146,385</u>	<u>142,966</u>	<u>53,806</u>	<u>1,235,545</u>
Total Capital Assets Being Depreciated, Net	<u>1,031,113</u>	<u>119,064</u>	<u>1,975</u>	<u>1,148,202</u>
Governmental Activities Capital Assets, Net	<u>\$1,841,113</u>	<u>133,141</u>	<u>1,975</u>	<u>1,972,279</u>

Included fire house renovations of \$125,000.

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

	<u>For The</u>
	<u>Year Ended</u>
	<u>June 30, 2004</u>
Governmental activities:	
General government	\$ 10,382
Police department	65,575
Fire department	52,282
Public works	<u>14,727</u>
	<u>\$142,966</u>

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT

The following is a summary of changes in long-term liabilities:

	For The Year Ended June 30, 2004				
	Balance			Balance	Amount Due
	June 30	Additions	Reductions	June 30	Within
	2003			2004	One Year
Governmental activities:					
Capital lease obligations	\$ 162,446	-	34,410	128,036	41,294
Joint venture obligation	728,591	-	45,537	683,054	45,537
Note payable	99,029	-	24,757	74,272	24,757
Compensated absences	82,269	24,196	-	106,465	38,111
	\$1,072,335	24,196	104,704	991,827	149,699

Capital Lease Obligations

The City is obligated under certain vehicle leases accounted for as capital leases. The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Machinery, equipment, and vehicles	\$289,078
Less - Accumulated depreciation	147,625
	\$141,453

The following is a schedule for future minimum lease payments under capital leases, together with the net present value of the minimum lease payments:

For The Years Ended June 30	
2005	\$ 41,294
2006	28,700
2007	27,287
2008	25,873
2009	24,486
Total minimum lease payments	147,640
Less - Amount representing interest	19,604
Present Value Of Net Minimum Lease Payments	\$128,036

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - LONG-TERM DEBT (Continued)

Joint Venture Obligation

The City is obligated under an agreement for 16.58% of the costs of the construction and operation of an aquatic center. The City is responsible for semi-annual payments of principal and interest to August 2018.

The annual requirements to amortize the joint venture obligation are as follows:

For The Years Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 45,537	26,240	71,777
2006	45,537	24,886	70,423
2007	45,537	23,475	69,012
2008	45,537	21,983	67,520
2009	45,537	20,548	66,085
2010 - 2014	227,685	77,846	305,531
2015 - 2018	<u>227,684</u>	<u>27,686</u>	<u>255,370</u>
	<u>\$683,054</u>	<u>222,664</u>	<u>905,718</u>

Note Payable

The City is obligated under a note payable, original principal totaling \$123,787, for a computer aided dispatch and record management system, due in yearly installments through September 2006, interest payable at 5.22%.

The annual requirements to amortize the note payable of the long-term debt outstanding including interest payments are as follows:

For The Years Ended June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$24,757	3,001	27,758
2006	24,757	1,667	26,424
2007	<u>24,758</u>	<u>333</u>	<u>25,091</u>
	<u>\$74,272</u>	<u>5,001</u>	<u>79,273</u>

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS

1. Police and Firemen's Pension Plan

Plan Description and Provisions

The Plan is a single employer defined benefit pension plan that covers all of the City's full-time police, dispatch, and fire employees. The Plan provides retirement and death benefits to plan members and beneficiaries in accordance with the ordinance establishing the Plan. The Plan may be amended under the provisions of the original ordinance. The payroll for employees covered by the Plan for the year ended July 1, 2003 was \$987,416 and the City's total payroll was \$1,927,275.

The Plan does not issue a separate stand-alone financial report. The financial information is included as a Trust Fund in the City's financial statements. Information about the Plan is provided in a summary plan description.

Current membership in the Plan is comprised of the following:

<u>Group</u>	<u>July 1, 2003</u>
Retirees and beneficiaries currently receiving benefits	9
Vested terminated employees not yet receiving benefits	6
Active employees	23

Employees attaining the age 55 who have completed 15 or more years of service are entitled to benefits based upon average earnings and years of service. The Plan also provides early retirement, death, and disability.

City ordinance requires each member to contribute 3.25% of gross salary. The ordinance requires the City to contribute the actuarially computed amounts, which together with employee contributions and investment income, will cover the costs of the Plan.

Schedule of Funding Status and Progress

<u>Pension Plan</u>			
<u>Valuation For</u> <u>The Actuarial</u> <u>Years Ended</u> <u>July 1</u>	<u>Actuarial</u> <u>Value Of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u>	<u>Excess Of</u> <u>Assets Or</u> <u>(Unfunded</u> <u>AAL)</u>
2003	\$2,868,385	\$3,617,431	(\$749,046)
2002	2,803,908	3,390,942	(587,034)
2001	3,111,821	3,296,204	(184,383)
2000	3,273,761	3,021,792	251,969
1999	2,983,140	2,783,764	199,376
1998	2,644,014	2,396,584	247,430

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Police and Firemen's Pension Plan (Continued)

<u>Pension Plan</u>			
<u>Valuation For The Actuarial Years Ended July 1</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Excess Assets Or (Unfunded AAL) As A Percentage Of Covered Payroll</u>
2003	79%	\$ 987,416	(76%)
2002	83	997,873	(59)
2001	94	1,032,685	(18)
2000	108	986,297	25
1999	107	1,008,831	20
1998	110	862,968	29

<u>Schedule Of Employer Contributions - Property Taxes</u>			
<u>For The Years Ended July 1</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2003	\$125,364	\$125,364	100%
2002	108,608	108,608	100
2001	44,352	44,352	100
2000	52,544	52,544	100
1999	57,296	57,296	100
1998	61,249	61,249	100

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Aggregate method*
Asset valuation method	At market value
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	5%

*The aggregate method does not identify and separately amortize unfunded actuarial liabilities.

NOTE E - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Police and Firemen's Pension Plan (Continued)

Annual Pension Cost

Current year annual pension costs for the Plan are shown in the trend information. Annual required contributions were made by the Plan. There was no net pension obligation for the Plan. Unless otherwise indicated, information is provided as of the latest actuarial valuation, July 1, 2003.

Trend Information

The historical trend information about the Plan is presented herewith to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS).

Pension Plan			
Valuation For The Actuarial Years Ended July 1	Annual Pension Cost	Percentage Contributed	Net Pension Obligation
2003	\$125,364	100%	\$ -
2002	108,608	100	-
2001	44,352	100	-
2000	52,544	100	-
1999	57,296	100	-
1998	61,249	100	-

2. Non-Uniformed Employees Pension Plan

Plan Description

The City participates in 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 LAGERS' 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.

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Non-Uniformed Employees Pension Plan (Continued)

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

Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 6.4% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

Annual Pension Cost

For 2004, the City's annual pension cost of \$20,898 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2002 and 2003 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% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 4.2% per year, depending on age, attributable to seniority/merit; 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 one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2004 was 15 years.

Three-year trend information follows:

<u>For The Years Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2004	\$20,898	100%	\$ -
2003	20,664	100	-
2002	30,981	100	-

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Non-Uniformed Employees Pension Plan (Continued)

Schedule of funding progress follows:

<u>For The Valuation Years Ended February 28</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Excess Of Assets Or (Unfunded AAL)</u>
2004	\$694,353	\$507,048	\$187,305
2003	626,837	503,718	123,119
2002	716,761	643,791	72,970

<u>For The Valuation Years Ended February 28</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Excess Assets Over (Unfunded) AAL As A Percentage Of Covered Payroll</u>
2004	137%	\$298,625	62.7%
2003	124	295,551	41.6
2002	111	383,330	19.0

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 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact LAGERS office in Jefferson City.

NOTE F - COMMITMENTS AND CONTINGENCIES

The City has a substantial portion of its insurance policies through self-insured pools. As a member of a self-insured pool, the City may become liable for deficits of the pool created if claims should exceed existing reserves. This would be paid through additional assessments by the pool to members. Settled claims have not exceeded the City's coverages in any of the past three fiscal years.

The City has an agreement to operate an aquatic center facility. The City shall be required to contribute additional funds to the project in the event that operational revenues are insufficient to cover operational costs and expenses.

At June 30, 2004, the City had commitments for engineering fees for a road project totaling \$120,395.

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - ENTERPRISE FUND

The Enterprise Fund is comprised of one major homogeneous segment of the City which provides sanitation services. Working capital as of June 30, 2004 was \$15,476.

NOTE H - DUE FROM AND DUE TO OTHER FUNDS

Individual fund amounts are as follows:

Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>June 30 2004</u>
General Fund	Sewer Lateral Fund	\$ 61,371
General Capital Improvements Fund	General Fund	74,083
General Capital Improvements Fund	Sewer Lateral Fund	20,000
Parks and Stormwater Improvements Fund	General Fund	231,021
Enterprise Fund	General Fund	32,039
Pension Trust Fund	General Fund	<u>98,939</u>
		<u>\$517,453</u>

NOTE I - INTERFUND TRANSFERS

Individual fund transfers are as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>For The Year Ended June 30, 2004 Total</u>
General Fund	Enterprise Fund	\$ 11
General Capital Improvements Fund	General Fund	<u>95</u>
		<u>\$106</u>

NOTE J - EXCESS EXPENDITURES OVER REVENUES

The Parks and Stormwater Improvements Fund exceeded budgeted expenditures. Revenues, other financing sources, and fund equity were available to cover the excess amount.

	<u>For The Year Ended June 30, 2004</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Parks and Stormwater Improvements Fund	\$74,270	91,709	17,439

NOTE K - DEFICIT BALANCES

The Sewer Lateral Fund had a deficit in fund balance of \$77,427 at June 30, 2004. This deficit will be offset by future revenues.

NOTE L - ACCOUNTING CHANGE AND RESTATEMENT OF FUND BALANCES

During fiscal year 2004, the City adopted GASB Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37 (GASB 37), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38 (GASB 38), *Certain Financial Statement Note Disclosures*; and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB 34 (as amended by GASB 37) represents a very significant change in the financial reporting model used by state and local governments.

GASB 34 requires government-wide financial statements to be prepared using the accrual basis of accounting. Government-wide financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities on the statement of net assets and statement of activities. Additionally, the City's statement of net assets includes capital assets and long-term liabilities of the City which were previously recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which continue to use the modified accrual basis of accounting for the City's General Fund, Special Revenue Funds, Capital Improvement Fund, and other governmental funds, which is similar to that previously presented for these funds in the City's financial statements, although the format of financial statements has been modified by GASB 34.

GASB 34 also includes, as required supplementary information, Management's Discussion and Analysis, which provides an analytical overview of the City's financial activities. In addition, budgetary comparison schedules are presented which compare the original and final revised budget with actual results for the General Fund, Sewer Lateral Fund, Pension Tax Fund, General Capital Improvements Fund, Parks and Stormwater Improvements Fund, and Sanitation Fund.

GASB 38 requires certain disclosures to be made in the notes to the basic financial statements concurrent with the implementation of GASB 34. While this statement did not affect amounts reported in the financial statements of the City, certain note disclosures have been added and amended including descriptions of activities of major funds, future debt service and lease obligations in five-year increments, and interfund balances and transactions.

CITY OF GLENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE L - ACCOUNTING CHANGE AND RESTATEMENT OF FUND BALANCE (Continued)

These statements had a significant effect on the City's financial reporting model. All statements were retroactively applied to July 1, 2003. Restatement of net assets within the government-wide financial statements is as follows:

General Fund	\$ 797,981
Sewer Lateral Fund	(55,025)
General Capital Improvements Fund	144,891
Parks and Stormwater Improvements Fund	<u>218,902</u>
Total Fund Equity, June 30, 2003, As Restated	1,106,749
Required GASB 34 adjustments:	
Capital assets, net accumulated depreciation	1,841,112
Long-term and other liabilities	(1,084,301)
Revenue recognition	<u>31,161</u>
Total Net Assets, June 30, 2003	<u>\$1,894,721</u>

The previously stated fund balances have been adjusted as follows:

	<u>General Fund</u>
Fund balances, June 30, 2003, as previously reported	\$733,160
Restatement for accrued payroll and compensated absences	<u>64,821</u>
Fund Balance, June 30, 2003, As Restated	<u>\$797,981</u>

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES				
General Taxes				
Current real estate taxes	\$ 488,700	488,700	492,589	3,889
Current personal property taxes	78,800	78,800	78,846	46
Delinquent taxes	2,900	2,900	4,522	1,622
Utility property taxes	8,000	8,000	-	(8,000)
Sales tax	785,500	785,500	745,873	(39,627)
Gross receipts tax:				
Water	49,500	49,500	47,826	(1,674)
Telephone	73,500	73,500	67,011	(6,489)
Gas	182,050	182,050	188,466	6,416
Electric	199,500	199,500	200,645	1,145
Local option use tax	32,500	32,500	38,264	5,764
Total General Taxes	<u>1,900,950</u>	<u>1,900,950</u>	<u>1,864,042</u>	<u>(36,908)</u>
Intergovernmental				
Fire contract - Warson Woods	186,500	186,500	183,639	(2,861)
Road and bridge refund	118,500	118,500	119,634	1,134
Cigarette tax	23,500	23,500	21,695	(1,805)
Gasoline tax motor fuels	250,500	250,500	239,859	(10,641)
Grants	1,500	1,500	19,004	17,504
Total Intergovernmental	<u>580,500</u>	<u>580,500</u>	<u>583,831</u>	<u>3,331</u>
Licenses and Permits				
Merchants' licenses	38,500	38,500	36,116	(2,384)
Automobile licenses	19,500	19,500	20,205	705
Interest and penalties	2,400	2,400	1,912	(488)
Animal licenses	1,500	1,500	1,686	186
Construction permits	26,500	26,500	43,947	17,447
Housing inspections	11,000	11,000	10,950	(50)
Cable television	60,500	60,500	54,186	(6,314)
Total Licenses And Permits	<u>159,900</u>	<u>159,900</u>	<u>169,002</u>	<u>9,102</u>
Municipal Court				
Court costs	29,500	29,500	25,196	(4,304)
Court fines	150,500	150,500	147,684	(2,816)
Miscellaneous court revenues	7,500	7,500	10,696	3,196
Total Municipal Court	<u>187,500</u>	<u>187,500</u>	<u>183,576</u>	<u>(3,924)</u>
Miscellaneous				
Investment income	33,600	33,600	10,258	(23,342)
Sale of surplus property	6,000	6,000	10,052	4,052
Other	42,500	42,500	36,312	(6,188)
ACAD reimbursement	-	-	1,265	1,265
Special assessments and improvements	530	530	-	(530)
Total Miscellaneous	<u>82,630</u>	<u>82,630</u>	<u>57,887</u>	<u>(24,743)</u>
Total Revenues	<u>2,911,480</u>	<u>2,911,480</u>	<u>2,858,338</u>	<u>(53,142)</u>

(Continued)

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2004

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Over (Under) Budget
GENERAL GOVERNMENT EXPENDITURES				
Personnel Services				
Salaries:				
City officials	20,050	20,050	20,448	398
Full-time	153,605	153,605	147,391	(6,214)
Part-time	28,592	28,592	21,945	(6,647)
Employee insurance	17,850	17,850	14,249	(3,601)
Workers' compensation	718	198	194	(4)
FICA	15,625	15,625	15,016	(609)
LAGERS	13,107	13,107	8,046	(5,061)
Car allowance	1,200	1,200	1,300	100
Unscheduled overtime	2,000	3,770	3,558	(212)
Total Personnel Services	252,747	253,997	232,147	(21,850)
Contractual and Commodities				
Maintenance - buildings and grounds	3,000	3,000	3,230	230
Utilities:				
Electric	4,730	4,730	4,299	(431)
Gas	1,060	1,060	966	(94)
Telephone	3,840	3,840	2,948	(892)
Water and sewer	490	490	435	(55)
Maintenance - equipment	1,490	1,490	1,467	(23)
Equipment rental	350	350	300	(50)
Legal publications	650	650	321	(329)
Audit	5,500	5,500	5,241	(259)
Elections	1,500	1,500	1,480	(20)
Inspection contracts	1,500	1,500	1,500	-
Other contractual services	8,770	8,770	9,039	269
Postage	2,100	2,100	2,248	148
Printing	5,000	5,000	4,988	(12)
Office supplies	3,000	3,000	2,935	(65)
Computer supplies	650	650	1,250	600
Other commodities	500	500	174	(326)
Total Contractual And Commodities	44,130	44,130	42,821	(1,309)
Other				
Employee relations	5,000	5,000	6,203	1,203
Community relations	7,000	7,000	8,400	1,400
Professional services	5,000	5,000	3,828	(1,172)
Professional development	2,000	2,000	6,451	4,451
Dues and subscriptions	4,500	4,500	4,816	316
General insurance	14,160	12,910	13,885	975
Miscellaneous	500	500	5,154	4,654
Total Other	38,160	36,910	48,737	11,827
Total General Government Expenditures	335,037	335,037	323,705	(11,332)

(Continued)

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
MUNICIPAL COURT EXPENDITURES				
Personnel Services				
Salaries:				
City officials	17,960	17,960	17,952	(8)
Full-time	21,305	21,305	20,682	(623)
FICA	3,004	3,004	3,004	-
Total Personnel Services	<u>42,269</u>	<u>42,269</u>	<u>41,638</u>	<u>(631)</u>
Contractual and Commodities				
Equipment rental	150	150	125	(25)
Postage	500	500	600	100
Printing	900	900	887	(13)
Office supplies	200	200	121	(79)
Total Contractual And Commodities	<u>1,750</u>	<u>1,750</u>	<u>1,733</u>	<u>(17)</u>
Other				
Professional services	5,000	5,000	2,351	(2,649)
Professional development	300	300	296	(4)
Miscellaneous	500	500	342	(158)
Total Other	<u>5,800</u>	<u>5,800</u>	<u>2,989</u>	<u>(2,811)</u>
Total Municipal Court Expenditures	<u>49,819</u>	<u>49,819</u>	<u>46,360</u>	<u>(3,459)</u>
POLICE DEPARTMENT EXPENDITURES				
Personnel Services				
Salaries:				
Full-time	575,862	575,862	579,918	4,056
Part-time	41,040	41,040	29,010	(12,030)
Employee insurance	90,435	90,435	88,958	(1,477)
Workers' compensation	16,176	15,226	15,226	-
FICA	47,958	47,958	49,401	1,443
Clothing allowance	7,200	7,200	6,913	(287)
Unscheduled overtime	10,000	10,000	19,831	9,831
Total Personnel Services	<u>788,671</u>	<u>787,721</u>	<u>789,257</u>	<u>1,536</u>

(Continued)

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2004

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Over (Under) Budget
POLICE DEPARTMENT EXPENDITURES (Continued):				
Contractual and Commodities				
Maintenance - buildings and grounds	1,500	1,500	1,503	3
Utilities:				
Electric	4,300	4,300	4,299	(1)
Gas	1,200	1,200	966	(234)
Telephone	6,500	6,500	4,695	(1,805)
Water and sewer	400	400	435	35
Motor fuels	12,000	12,000	13,622	1,622
Maintenance - motor equipment	9,000	9,000	10,238	1,238
Maintenance - other equipment	2,000	2,350	2,752	402
Equipment rental	560	560	431	(129)
Other contractual services	8,400	8,400	7,583	(817)
Postage	700	700	789	89
Printing	650	650	651	1
Office supplies	600	600	574	(26)
Janitorial supplies and services	500	500	-	(500)
Other commodities	500	800	1,187	387
Total Contractual And Commodities	48,810	49,460	49,725	265
Other				
Community relations	500	500	448	(52)
Professional development	5,000	5,000	6,169	1,169
Dues and subscriptions	1,250	1,250	1,060	(190)
General insurance	16,880	16,880	16,248	(632)
Miscellaneous	500	800	1,225	425
Small equipment	-	-	2,834	2,834
Total Other	24,130	24,430	27,984	3,554
Total Police Department Expenditures	861,611	861,611	866,966	5,355
DISPATCHING EXPENDITURES				
Personnel Services				
Salaries:				
Full-time	92,796	92,796	94,306	1,510
Part-time	49,600	49,600	43,282	(6,318)
Employee insurance	17,850	17,850	15,423	(2,427)
Workers' compensation	350	350	346	(4)
FICA	11,123	11,123	11,104	(19)
Clothing allowance	1,260	1,260	1,033	(227)
Unscheduled overtime	3,000	3,000	4,348	1,348
Total Personnel Services Expenditures	175,979	175,979	169,842	(6,137)

(Continued)

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
DISPATCHING EXPENDITURES (Continued):				
Contractual and Commodities				
Maintenance - equipment	2,000	2,000	2,049	49
Equipment rental	5,800	5,800	5,979	179
Advertising and legal	300	300	42	(258)
Rejis contract	18,000	18,000	18,609	609
Other contractual services	550	550	574	24
Printing	300	300	224	(76)
Office supplies	600	600	602	2
Computer supplies	1,200	1,200	1,132	(68)
Other commodities	100	100	140	40
Uniforms and clothing	150	150	253	103
Total Contractual And Commodities	<u>29,000</u>	<u>29,000</u>	<u>29,604</u>	<u>604</u>
Other				
Dues and subscriptions	300	300	310	10
Total Dispatching Expenditures	<u>205,279</u>	<u>205,279</u>	<u>199,756</u>	<u>(5,523)</u>
FIRE DEPARTMENT EXPENDITURES				
Personnel Services				
Salaries - full-time	710,002	710,002	680,243	(29,759)
Employee insurance	138,310	138,310	121,818	(16,492)
Workers' compensation	25,044	25,044	27,707	2,663
FICA	55,463	55,463	57,137	1,674
Unscheduled overtime	15,000	15,000	25,869	10,869
Total Personnel Services	<u>943,819</u>	<u>943,819</u>	<u>912,774</u>	<u>(31,045)</u>
Contractual and Commodities				
Maintenance - buildings and grounds	2,000	2,000	2,318	318
Utilities:				
Electric	4,800	4,800	4,299	(501)
Gas	2,000	2,000	1,946	(54)
Telephone	7,000	7,000	7,020	20
Water and sewer	400	400	435	35
Motor fuels	6,500	6,500	6,721	221
Maintenance - motor equipment	6,830	6,830	7,800	970
Maintenance - other equipment	3,000	3,000	4,268	1,268
EMS and medical supplies	2,510	2,010	1,854	(156)
Other contractual services	5,000	5,000	6,588	1,588
Janitorial supplies and services	2,000	2,000	2,289	289
Small tools and hardware	1,000	1,000	883	(117)
Other commodities	1,000	1,000	940	(60)
Uniforms and clothing	6,400	6,400	6,652	252
Total Contractual And Commodities	<u>50,440</u>	<u>49,940</u>	<u>54,013</u>	<u>4,073</u>

(Continued)

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2004

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Over (Under) Budget
FIRE DEPARTMENT EXPENDITURES (Continued):				
Other				
Community relations	4,000	4,000	4,262	262
Professional development	5,000	5,500	5,905	405
Dues and subscriptions	1,770	1,770	1,464	(306)
General insurance	13,480	13,480	12,323	(1,157)
Miscellaneous	1,000	1,000	968	(32)
Total Other	<u>25,250</u>	<u>25,750</u>	<u>24,922</u>	<u>(828)</u>
Total Fire Department Expenditures	<u>1,019,509</u>	<u>1,019,509</u>	<u>991,709</u>	<u>(27,800)</u>
PUBLIC WORKS EXPENDITURES				
Personnel Services				
Salaries:				
Full-time	190,684	190,684	189,096	(1,588)
Part-time	24,240	24,240	19,213	(5,027)
Employee insurance	41,638	41,638	41,098	(540)
Workers' compensation	12,692	12,692	11,314	(1,378)
FICA	17,589	17,589	18,050	461
LAGERS	16,399	16,399	12,721	(3,678)
Unscheduled overtime	15,000	15,000	22,861	7,861
Total Personnel Services	<u>318,242</u>	<u>318,242</u>	<u>314,353</u>	<u>(3,889)</u>
Contractual and Commodities				
Maintenance - buildings and grounds	2,000	2,000	4,371	2,371
Utilities:				
Electric	1,800	1,800	1,873	73
Gas	2,000	2,000	1,758	(242)
Telephone	4,600	4,600	7,674	3,074
Water and sewer	700	700	479	(221)
Street lights	16,000	16,000	16,841	841
Motor fuels	10,500	10,500	9,770	(730)
Maintenance - motor equipment	15,000	15,000	17,448	2,448
Maintenance - other equipment	15,000	15,000	16,495	1,495
Equipment rental	2,500	2,500	2,999	499
Welding	1,000	1,000	1,894	894
Forestry	10,000	10,000	12,804	2,804
Snow removal	20,000	20,000	39,076	19,076
Signs and pavement marking	7,000	7,000	6,795	(205)
Mosquito fogging	9,000	9,000	8,261	(739)
Janitorial supplies and services	12,000	12,000	14,376	2,376
Small tools and hardware	1,000	1,000	1,055	55
Other commodities	1,000	1,000	2,207	1,207
Uniforms and clothing	5,000	5,000	4,755	(245)
Street maintenance	20,000	20,000	19,612	(388)
Total Contractual And Commodities	<u>156,100</u>	<u>156,100</u>	<u>190,543</u>	<u>34,443</u>

(Continued)

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
PUBLIC WORKS EXPENDITURES (Continued)				
Other				
Professional services	2,000	2,000	2,978	978
Professional development	1,000	1,000	1,157	157
General insurance	8,350	8,350	7,638	(712)
Miscellaneous	1,000	1,000	1,515	515
Total Other	<u>12,350</u>	<u>12,350</u>	<u>13,288</u>	<u>938</u>
Total Public Works Expenditures	<u>486,692</u>	<u>486,692</u>	<u>518,184</u>	<u>31,492</u>
Total Expenditures	<u>2,957,947</u>	<u>2,957,947</u>	<u>2,946,680</u>	<u>(11,267)</u>
REVENUES UNDER EXPENDITURES	<u>(46,467)</u>	<u>(46,467)</u>	<u>(88,342)</u>	<u>(41,875)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	95	95
Transfers out	-	-	(11)	(11)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>84</u>	<u>84</u>
NET CHANGE IN FUND BALANCE	<u>\$ (46,467)</u>	<u>(46,467)</u>	<u>(88,258)</u>	<u>(41,791)</u>
FUND BALANCE, JULY 1			<u>797,981</u>	
FUND BALANCE, JUNE 30			<u>\$ 709,723</u>	

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN DEFICIT -
BUDGET AND ACTUAL - SEWER LATERAL SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
General taxes	\$ 65,000	62,327	(2,673)
Miscellaneous	25	7	(18)
Total Revenues	<u>65,025</u>	<u>62,334</u>	<u>(2,691)</u>
EXPENDITURES			
Capital outlay	<u>65,025</u>	<u>84,736</u>	<u>19,711</u>
REVENUES UNDER EXPENDITURES	<u>\$ -</u>	<u>(22,402)</u>	<u>(22,402)</u>
DEFICIT, JULY 1		<u>(55,025)</u>	
DEFICIT, JUNE 30		<u>\$ (77,427)</u>	

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - PENSION TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
General taxes	\$ 93,500	111,278	17,778
EXPENDITURES			
Current:			
General government	93,500	111,278	17,778
REVENUES OVER EXPENDITURES	<u>\$ -</u>	-	<u>-</u>
FUND BALANCE, JULY 1		-	
FUND BALANCE, JUNE 30		<u>\$ -</u>	

CITY OF GLENDALE, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

Explanation of Budgetary Process

The City prepares and legally adopts an annual budget for the General Fund, Sewer Lateral Special Revenue Fund, Pension Tax Special Revenue Fund, General Capital Improvements Capital Projects Fund, Parks and Stormwater Improvements Capital Projects Fund, and Sanitation Enterprise Fund. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. The Board follows the procedures outlined below in establishing the budgetary data:

- a. The City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed operating expenditures, capital expenditures, and the means for financing them.
- b. Public hearings are conducted to obtain comments from all interested parties.
- c. The budget for the coming year is formally adopted on or before the last day of the fiscal year ending.
- d. Transfers of budgeted amounts must be approved by the Board of Aldermen.
- e. There were budget amendments during the year.

The General Fund and Sewer Lateral Fund exceeded budgeted expenditures. Revenues, other financing sources, and fund equity were available to cover the excess amount.

	<u>For The Year Ended June 30, 2004</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Sewer Lateral Fund	\$65,025	84,736	19,711
Pension Tax Fund	93,500	111,278	17,778

CITY OF GLENDALE, MISSOURI
OTHER SUPPLEMENTAL INFORMATION SECTION

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF GLENDALE, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
General taxes	\$ 334,500	326,591	(7,909)
Miscellaneous	274,340	4	(274,336)
Total Revenues	<u>608,840</u>	<u>326,595</u>	<u>(282,245)</u>
EXPENDITURES			
Capital outlay:			
General government	50,000	53,545	3,545
Police department	20,000	20,000	-
Dispatching	18,170	19,549	1,379
Fire department	23,000	24,023	1,023
Public works	503,103	206,008	(297,095)
Total Capital Outlay	<u>614,273</u>	<u>323,125</u>	<u>(291,148)</u>
Debt service:			
Principal:			
General government	650	1,266	616
Dispatching	24,760	24,757	(3)
Fire department	24,050	23,400	(650)
Public works	11,010	11,011	1
Total Principal	<u>60,470</u>	<u>60,434</u>	<u>(36)</u>
Interest and fiscal charges:			
General government	-	19	19
Dispatching	4,340	2,951	(1,389)
Fire department	6,880	4,971	(1,909)
Public works	900	513	(387)
Total Interest And Fiscal Charges	<u>12,120</u>	<u>8,454</u>	<u>(3,666)</u>
Total Expenditures	<u>686,863</u>	<u>392,013</u>	<u>(294,850)</u>
REVENUES OVER (UNDER) EXPENITURES	<u>(78,023)</u>	<u>(65,418)</u>	<u>12,605</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	56,230	-	(56,230)
Transfers out	-	(95)	(95)
Total Other Financing Sources (Uses)	<u>56,230</u>	<u>(95)</u>	<u>(56,325)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (21,793)</u>	<u>(65,513)</u>	<u>(43,720)</u>
FUND BALANCE, JULY 1		<u>144,891</u>	
FUND BALANCE, JUNE 30		<u>\$ 79,378</u>	

CITY OF GLENDALE, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - PARKS AND STORMWATER IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
General taxes	\$ 130,500	122,620	(7,880)
EXPENDITURES			
Capital outlay	-	19,014	19,014
Debt service:			
Principal	46,790	45,537	(1,253)
Interest and fiscal charges	27,480	27,158	(322)
Total Expenditures	<u>74,270</u>	<u>91,709</u>	<u>17,439</u>
REVENUES OVER (UNDER) EXPENDITURES	56,230	30,911	(25,319)
OTHER FINANCING USES			
Transfers out	<u>(56,230)</u>	<u>-</u>	<u>56,230</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>30,911</u>	<u>30,911</u>
FUND BALANCE, JULY 1		<u>218,902</u>	
FUND BALANCE, JUNE 30		<u>\$ 249,813</u>	

CITY OF GLENDALE, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS -
BUDGET AND ACTUAL - SANITATION ENTERPRISE FUND
FOR THE YEAR ENDED JUNE 30, 2004

	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
OPERATING REVENUES			
Sanitation fees	\$ 546,465	541,951	(4,514)
Sale of paper bags	3,000	1,922	(1,078)
Miscellaneous income	1,800	2,382	582
Total Operating Revenues	551,265	546,255	(5,010)
OPERATING EXPENSES			
Personnel services:			
Salaries - part-time	17,685	16,105	(1,580)
FICA	1,353	1,285	(68)
Unscheduled overtime	100	308	208
Total Personnel Services	19,138	17,698	(1,440)
Operating supplies:			
Postage	2,250	1,750	(500)
Printing	550	572	22
Purchase of paper bags	4,000	2,079	(1,921)
Total Operating Supplies	6,800	4,401	(2,399)
Other services and charges:			
Residential collection	520,284	478,935	(41,349)
Total Operating Expenses	546,222	501,034	(45,188)
OPERATING INCOME BEFORE TRANSFERS	5,043	45,221	40,178
TRANSFER IN	-	11	11
CHANGE IN NET ASSETS	\$ 5,043	45,232	40,189
NET ASSETS, JULY 1		(29,756)	
NET ASSETS, JUNE 30		\$ 15,476	