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Audited Financial Report, 2004

City of Greendale

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CLAIRE C. McCASKILL
Missouri State Auditor

January 6, 2005

Monica M. Huddleston, Mayor
City of Greendale
St. Louis County
7717 Natural Bridge, Room 202
Greendale, MO 66121

Fiscal Period: One Year Ended April 30, 2004 ✓

Dear Mayor Huddleston:

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

Thank you for your cooperation in sending this information.

Sincerely,

CLAIRE C. McCASKILL
STATE AUDITOR

Judy Buerky
Local Government Analyst



the City of
Greendale

7717 Natural Bridge, Room 202
Greendale, Missouri 63121
Ph. (314) 383-2664, Fax (314) 383-2664



November 17, 2004

Ms. Claire McCaskill
State Auditor – Missouri
224 State Capitol
Jefferson City, Missouri 65101

Dear Ms. McCaskill:

The City of Greendale is pleased to enclose the audit report for fiscal year 2004, which ended April 30, 2004.

If you have any questions, please call me at 314-383-2577.

Sincerely,

Monica M. Huddleston
Mayor

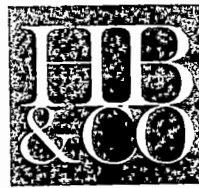
**CITY OF GREENDALE,
MISSOURI**

**FINANCIAL REPORT
(Audited)**

Year Ended April 30, 2004

CITY OF GREENDALE, MISSOURI
FINANCIAL REPORT

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Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITORS' REPORT

September 15, 2004

Honorable Mayor and Board of Aldermen
CITY OF GREENDALE, MISSOURI

We have audited the accompanying financial statements of the CITY OF GREENDALE, MISSOURI (the City) as of and for the year ended April 30, 2004, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 opinion.

As described in Note A-3, the City prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the City, as of April 30, 2004 and the revenues collected, expenditures paid, and changes in fund balances for the year then ended, on the basis of accounting described in Note A-3.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly presented in all material respects, on the cash basis of accounting, in relation to the financial statements taken as a whole.

Hochschild, Bloom + Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF GREENDALE, MISSOURI
COMBINED STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS -
ALL FUND TYPES AND ACCOUNT GROUP
APRIL 30, 2004

	<u>Governmental Fund</u>		<u>Account</u>	<u>Total</u>
	<u>Types</u>		<u>Group</u>	
	<u>General</u>	<u>Special</u>	<u>General</u>	<u>(Memorandum</u>
		<u>Revenue</u>	<u>Fixed</u>	<u>Only)</u>
			<u>Assets</u>	<u>Only)</u>
ASSETS				
Cash and investments	\$ 302,897	17,948	-	320,845
Cash and investments - restricted for court bonds	10,078	-	-	10,078
General fixed assets	-	-	6,109	6,109
Total Assets	<u>\$ 312,975</u>	<u>17,948</u>	<u>6,109</u>	<u>337,032</u>
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Deposits held for others	\$ 2,478	-	-	2,478
Court bonds payable	10,078	-	-	10,078
Total Liabilities	<u>12,556</u>	<u>-</u>	<u>-</u>	<u>12,556</u>
Equity and Other Credits				
Investment in general fixed assets	-	-	6,109	6,109
Fund balance:				
Unreserved - undesignated	300,419	400	-	300,819
Reserved for sewer lateral	-	17,548	-	17,548
Total Equity And Other Credits	<u>300,419</u>	<u>17,948</u>	<u>6,109</u>	<u>324,476</u>
Total Liabilities, Equity, And Other Credits	<u>\$ 312,975</u>	<u>17,948</u>	<u>6,109</u>	<u>337,032</u>

CITY OF GREENDALE, MISSOURI
COMBINED STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED APRIL 30, 2004

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
REVENUES			
Taxes:			
Sales	\$ 86,802	-	86,802
Real estate	26,454	-	26,454
Gross receipts	49,009	-	49,009
Road and bridge	5,808	-	5,808
Cigarette	2,761	-	2,761
Gasoline	20,572	-	20,572
Motor vehicle	9,038	-	9,038
Total Taxes	<u>200,444</u>	<u>-</u>	<u>200,444</u>
License and permits	8,681	-	8,681
Court receipts	76,956	-	76,956
Investment income	2,661	570	3,231
Sewer lateral fees	-	9,397	9,397
Miscellaneous	2,468	-	2,468
Total Revenues	<u>291,210</u>	<u>9,967</u>	<u>301,177</u>
EXPENDITURES			
Police	80,893	-	80,893
Administration	69,085	-	69,085
Public works	21,791	-	21,791
Municipal court	994	-	994
Nondepartmental	90,326	-	90,326
Sewer lateral repair	-	11,229	11,229
Total Expenditures	<u>263,089</u>	<u>11,229</u>	<u>274,318</u>
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	28,121	(1,262)	26,859
TRANSFERS IN (OUT)	(400)	400	-
FUND BALANCES, MAY 1	<u>272,698</u>	<u>18,810</u>	<u>291,508</u>
FUND BALANCES, APRIL 30	<u>\$ 300,419</u>	<u>17,948</u>	<u>318,367</u>

CITY OF GREENDALE, MISSOURI
COMBINED STATEMENT OF REVENUES COLLECTED,
EXPENDITURES PAID, AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED APRIL 30, 2004

	General	Special Revenue	Total (Memorandum Only)
REVENUES			
Taxes:			
Sales	\$ 86,802	-	86,802
Real estate	26,454	-	26,454
Gross receipts	49,009	-	49,009
Road and bridge	5,808	-	5,808
Cigarette	2,761	-	2,761
Gasoline	20,572	-	20,572
Motor vehicle	9,038	-	9,038
Total Taxes	200,444	-	200,444
License and permits	8,681	-	8,681
Court receipts	76,956	-	76,956
Investment income	2,661	570	3,231
Sewer lateral fees	-	9,397	9,397
Miscellaneous	2,468	-	2,468
Total Revenues	291,210	9,967	301,177
EXPENDITURES			
Police	80,893	-	80,893
Administration	69,085	-	69,085
Public works	21,791	-	21,791
Municipal court	994	-	994
Nondepartmental	90,326	-	90,326
Sewer lateral repair	-	11,229	11,229
Total Expenditures	263,089	11,229	274,318
EXCESS OF REVENUES OVER (UNDER)			
EXPENDITURES	28,121	(1,262)	26,859
TRANSFERS IN (OUT)	(400)	400	-
FUND BALANCES, MAY 1	272,698	18,810	291,508
FUND BALANCES, APRIL 30	\$ 300,419	17,948	318,367

CITY OF GREENDALE, MISSOURI
STATEMENT OF REVENUES COLLECTED, EXPENDITURES
PAID, AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes:			
Sales	\$ 82,300	86,802	4,502
Real estate	28,000	26,454	(1,546)
Gross receipts	43,000	49,009	6,009
Road and bridge	7,000	5,808	(1,192)
Cigarette	2,400	2,761	361
Gasoline	20,000	20,572	572
Motor vehicle	9,000	9,038	38
Total Taxes	<u>191,700</u>	<u>200,444</u>	<u>8,744</u>
License and permits	7,115	8,681	1,566
Court receipts	71,000	76,956	5,956
Investment income	2,500	2,661	161
Miscellaneous	5,000	2,468	(2,532)
Total Revenues	<u>277,315</u>	<u>291,210</u>	<u>13,895</u>
 EXPENDITURES			
Police	81,200	80,893	(307)
Administration	71,136	69,085	(2,051)
Public works	27,970	21,791	(6,179)
Municipal court	-	994	994
Nondepartmental	88,400	90,326	1,926
Total Expenditures	<u>268,706</u>	<u>263,089</u>	<u>(5,617)</u>
 EXCESS OF REVENUES OVER			
EXPENDITURES	<u>\$ 8,609</u>	28,121	<u>19,512</u>
 TRANSFERS OUT		(400)	
 FUND BALANCE, MAY 1		<u>272,698</u>	
 FUND BALANCE, APRIL 30		<u>\$ 300,419</u>	

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF GREENDALE, MISSOURI** (the City) was incorporated in 1950. The City operates under a Mayor-Board of Aldermen form of government and provides various services including public safety, public improvements, and general administrative services.

The more significant accounting policies of the City in the preparation of the accompanying financial statements are summarized below:

1. Reporting Entity

In evaluating the City as a reporting entity, management has addressed all component units for which the City may or may not be financially accountable and, as such, be includable within the City's financial statements. In accordance with GASB Statement No. 14, the City (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

2. Fund Accounting

The City uses funds and an account group to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following fund types and account group are used by the City:

Governmental Fund Types

General Fund - The General Fund accounts for all activities except those required to be accounted for in another fund.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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CITY OF GREENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Accounting (Continued)

Account Group

General Fixed Assets Account Group - This account group accounts for all fixed assets of the City.

3. Basis of Accounting

The accounts of the City are maintained using the cash basis of accounting. Under the cash basis of accounting, revenues and expenditures are recognized only when cash is received or paid.

4. Budgetary Data

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

- a. The proposed budget for the General Fund is submitted to the Board of Aldermen for the fiscal year. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenue of the preceding year plus any unreserved balance at the end of such year.
- b. Public hearings are conducted in the City to obtain taxpayer input and comments.
- c. The budget must be adopted by the affirmative vote of a majority of the Board of Aldermen for each fiscal year.
- d. All appropriations not spent or legally encumbered at year-end lapse.
- e. The Board of Aldermen may amend budgeted amounts. During the year the Board of Aldermen authorized amendments to the budget.

5. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September 1 of each year based on the assessed value as of the prior January 1 for all-taxable real property located within the City. Payment is due upon receipt of billing and becomes delinquent after December 31. The City imposes no tax on personal property.

6. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in government-
related assets are reported in the General Fixed Assets Account Group

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Fixed Assets (Continued)

All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized. Such assets are normally immovable and of value only to the City, therefore, the purpose of stewardship for these items is satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

7. Total Columns on Combined Financial Statements

The total columns on the combined financial statements are captioned "memorandum only" to indicate it is presented only to facilitate financial analysis. Data in these columns do not present the financial position or results of operations of the City in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - CASH AND INVESTMENTS

State law requires that the City's deposits with financial institutions must be collateralized in an amount at least equal to the uninsured deposits. As of April 30, 2004, the City's bank deposits were fully secured.

NOTE C - GENERAL FIXED ASSETS ACCOUNT GROUP

The following is a summary of changes in the General Fixed Assets Account Group:

	For The Year Ended April 30, 2004			
	Balance April 30 2003	Additions	Deletions	Balance April 30 2004
Furniture and equipment	\$ <u>3,532</u>	<u>2,577</u>	<u>-</u>	<u>6,109</u>

NOTE D - PENDING ACCOUNTING PRONOUNCEMENTS

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. In July 2001, the GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements provide significant new accounting and financial reporting requirements for governments. Under the revised requirements, governmental financial statements will include Management's Discussion and Analysis (MD&A), basic financial statements that present both government-wide and fund financial statements, and required supplementary information. These statements provide significant new accounting and financial reporting requirements for governments.

MD&A introduces the financial statements by giving readers a brief, objective, and easily readable analysis of the City's financial performance for the year and its financial position at year-end, including an analysis of budgetary change and results.

The government-wide financial statements will provide information about the primary government and its component units without displaying fund or fund types. The financial statements will distinguish between the governmental and business-type activities of the primary government.

The fund financial statements will provide information about the primary government's fund types, including fiduciary funds and blended component units. Governments will present separate financial statements for each fund category (governmental, proprietary, and fiduciary) and will no longer present a combined balance sheet. General capital assets and general long-term liabilities will be reported only in the government-wide financial statements as assets and liabilities of governmental activities. A single set of notes will apply to both government-wide and fund financial statements.

The model also includes required reporting for infrastructure assets. Reporting alternatives include historical cost-based depreciation and modified approach if the government maintains such assets at or above an established condition level. Retroactive infrastructure reporting may also become effective on a phase-in approach.

The City is required to adopt GASB Statement No. 34 in fiscal year ending April 30, 2005. The City has not completed the varied analyses required to estimate the financial statement impact of these new statements.

CITY OF GREENDALE, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - PRIOR PERIOD ADJUSTMENT

The previously stated fund balance has been adjusted as follows:

	<u>April 30, 2003</u> <u>General</u> <u>Fund</u>
Fund balances, April 30, 2003, as previously stated	\$249,753
Restatement for prior year liabilities	<u>-22,945</u>
<u>Fund Balances, April 30, 2003, As Restated</u>	<u>\$272,698</u>

NOTE F - SUBSEQUENT EVENT

The City issued \$400,000 of General Obligation Bonds in September 2004 at 4.75% over twenty years for the purpose of replacing and repairing streets and related infrastructure.

SUPPLEMENTAL INFORMATION SECTION

CITY OF GREENDALE, MISSOURI
SUPPLEMENTAL INFORMATION - SCHEDULE OF EXPENDITURES
PAID - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED APRIL 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
POLICE			
City protection contract	\$ 81,200	80,719	(481)
Training	-	174	174
	<u>\$ 81,200</u>	<u>80,893</u>	<u>-(307)</u>
ADMINISTRATION			
Salary - city clerk	\$ 8,118	9,679	1,561
Salaries - officials	6,800	6,867	67
Advertising	-	1,090	1,090
Auditing and accounting services	8,700	5,286	(3,414)
Capital outlay	6,600	7,162	562
Codification of ordinances	1,100	1,100	-
Dues and memberships	1,800	1,411	(389)
Election	1,100	1,426	326
Inspection fees	1,200	1,455	255
Insurance and bonding	9,400	9,483	83
Legal fees	10,000	9,465	(535)
Office supplies	6,000	3,178	(2,822)
Outside services	300	1,433	1,133
Payroll tax	4,618	2,673	(1,945)
Postage	-	688	688
Rent	3,000	2,900	(100)
Repairs and maintenance	-	420	420
Seminars and training	-	1,226	1,226
Telephone	2,400	2,143	(257)
	<u>\$ 71,136</u>	<u>69,085</u>	<u>(2,051)</u>

SUPPLEMENTAL INFORMATION - SCHEDULE OF EXPENDITURES
 PAID - BUDGET AND ACTUAL - GENERAL FUND (Continued)
 FOR THE YEAR ENDED APRIL 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
PUBLIC WORKS			
Pest control	\$ 570	405	(165)
Snow removal	3,400	2,768	(632)
Street cleaning	-	800	800
Street improvements	5,500	897	(4,603)
Trees and shrubs	10,600	9,375	(1,225)
Utilities/lighting	7,900	7,546	(354)
	<u>\$ 27,970</u>	<u>21,791</u>	<u>(6,179)</u>
MUNICIPAL COURT			
Crime victims' compensation	<u>\$ -</u>	<u>994</u>	<u>994</u>
NONDEPARTMENTAL			
Bank charges	\$ 400	177	(223)
Miscellaneous	1,900	5,593	3,693
Trash collection	86,100	84,556	(1,544)
	<u>\$ 88,400</u>	<u>90,326</u>	<u>1,926</u>

CITY OF GREENDALE, MISSOURI
SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF ASSETS AND LIABILITIES ARISING
FROM CASH TRANSACTIONS - SPECIAL REVENUE FUNDS
APRIL 30, 2004

	<u>Sewer Lateral</u>	<u>Capital Improvement</u>	<u>Stormwater</u>	<u>Totals</u>
ASSETS				
Cash	\$ 17,548	200	200	17,948
EQUITY				
Fund balances - unreserved	\$ -	200	200	400
Fund balances - reserved for sewer lateral	17,548	-	-	17,548
Total Equity	\$ 17,548	0	0	17,548