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1-1-2007

## Financial Report, 2006

City of Green Park

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09-096-0094

**SUSAN MONTEE, CPA**  
**Missouri State Auditor**

July 17, 2007

Diana Mize, Administrator  
City of Green Park  
St. Louis County  
11100 Mueller Road, Suite 2  
Green Park, MO 63123

Fiscal Period: One Year Ended December 31, 2006 ✓

Dear Ms. Mize:

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,

SUSAN MONTEE, CPA  
STATE AUDITOR

A handwritten signature in cursive script that reads "Judy Buerky".

Judy Buerky  
Local Government Analyst

The City of



Green Park

July 12, 2007

Missouri State Auditor  
P.O. BOX 869  
Jefferson City, MO 65102  
Attn: Susan Montee, CPA



RE: City of Green Park – 2006 Audit Report

Dear Ms. Montee,

Enclosed is a copy of the City of Green Park's Financial Report for the year ending December 31, 2006.

Should you have any questions please feel free to contact me at 314-894-7336.

Sincerely,

Diana Mize  
City Administrator/City Clerk

Enclosure



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

**CITY OF GREEN PARK,  
MISSOURI**

**FINANCIAL REPORT**  
(Audited)

Year Ended December 31, 2006



**CITY OF GREEN PARK, MISSOURI**  
**FINANCIAL REPORT**

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

## INDEPENDENT AUDITORS' REPORT

May 22, 2007

Honorable Mayor and Board of Aldermen  
**CITY OF GREEN PARK, MISSOURI**

We have audited the accompanying financial statements of the governmental activities and each major fund of the **CITY OF GREEN PARK, MISSOURI** (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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.

As described in Note A-3, the City prepares its financial statements on the modified 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 respective financial position of the governmental activities and each major fund of the City as of December 31, 2006, and the respective changes in financial position for the year then ended, on the basis of accounting described in Note A-3.

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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In accordance with *Government Auditing Standards*, we have also issued a report dated May 22, 2007, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and General Fund budgetary comparison information are not a required part of the financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Hochschild, Bloom & Company LLP  
CERTIFIED PUBLIC ACCOUNTANTS



**CITY OF GREEN PARK, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

This discussion and analysis is intended to be an overview of the City of Green Park's (the City) financial activities for the fiscal year ended December 31, 2006. It should be read in conjunction with the City's financial statements (attached).

**USING THE ANNUAL REPORT**

The annual report consists of a series of financial statements. The statement of net assets - modified cash basis and the statement of activities - modified cash basis provide information about the activities of the City as a whole. Fund financial statements report the City's operation in more detail than the government-wide statement by providing information about the City's General Fund. The remaining statement provides financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside the City government.

**CONDENSED FINANCIAL STATEMENTS**

A condensed version of the statement of net assets - modified cash basis compared to the prior year follows:

	<u>December 31</u>		<u>2006 Change</u>	
	<u>2006</u>	<u>2005</u>	<u>Amount</u>	<u>Percent</u>
<b>ASSETS</b>				
Current and other assets	\$3,644,072	3,269,527	374,545	11%
Capital assets	<u>1,350,263</u>	<u>899,368</u>	<u>450,895</u>	50
Total Assets	<u>4,994,335</u>	<u>4,168,895</u>	<u>825,440</u>	20
<b>LIABILITIES</b>				
	<u>268,259</u>	<u>356,613</u>	<u>(88,354)</u>	(25)
<b>NET ASSETS</b>				
Invested in capital assets	1,350,263	899,368	450,895	50
Restricted	535,076	533,461	1,615	-
Unrestricted	<u>2,840,737</u>	<u>2,379,453</u>	<u>461,284</u>	19
Total Net Assets	<u>\$4,726,076</u>	<u>3,812,282</u>	<u>913,794</u>	24%

A condensed version of the statement of activities - modified cash basis compared to the prior year follows:



**CITY OF GREEN PARK, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>For The Years Ended December 31</b>		<b>2006 Change</b>	
	<u>2006</u>	<u>2005</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$ 77,305	75,334	1,971	3%
Operating grants and contributions	201,732	203,796	(2,064)	(1)
General revenues:				
Taxes:				
Sales	743,603	722,536	21,067	3
Gross receipts	383,758	353,095	30,663	9
Cigarette	9,404	9,496	(92)	-
Investment income	121,861	68,960	52,901	77
Miscellaneous	461	2,750	(2,289)	(83)
Total Revenues	<u>1,538,124</u>	<u>1,435,967</u>	<u>102,157</u>	7
<b>EXPENSES</b>				
Administration	241,378	248,127	(6,749)	(3)
Engineering	56,732	53,053	3,679	7
Police protection	220,594	212,025	8,569	4
Street maintenance	<u>105,626</u>	<u>81,973</u>	<u>23,653</u>	29
Total Expenses	<u>624,330</u>	<u>595,178</u>	<u>29,152</u>	5
<b>CHANGE IN NET ASSETS</b>	913,794	840,789	73,005	9
NET ASSETS, JANUARY 1	<u>3,812,282</u>	<u>2,971,493</u>	<u>840,789</u>	28
<b>NET ASSETS, DECEMBER 31</b>	<u>\$4,726,076</u>	<u>3,812,282</u>	<u>913,794</u>	24%

The City's property tax rates in 2006 remained at zero; the same as 2005. Sales taxes collected did not increase at rates similar to previous years due to local and national economic conditions.

You can think of the City's net assets (the difference between assets and liabilities) as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors such as changes in the City's property tax base, the amount of snow during the winter season, etc., to assess the overall health of the City. The current year growth in net assets is attributed to revenue from a new capital improvements sales tax and capitalized infrastructure improvements.

The City has designated \$440,000 of fund balance for future contingencies. This amount of fund balance has been set aside on the internal records of the City and is included in unrestricted net assets on the statement of net assets - modified cash basis.

**CITY OF GREEN PARK, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**BUDGETARY HIGHLIGHTS**

The City did not amend the 2006 budget.

General Fund expenditures were \$197,067 or 23% below budgeted expenditures of \$866,450. General Fund revenues were \$217,699 or 24% over the amount budgeted of \$917,300. Overall General Fund revenues are over the 2005 total by \$82,302.

Capital Projects Fund expenditures were \$119,158 or 23% below budgeted expenditures of \$525,000. Capital Projects Fund revenues were \$23,125 or 6% over the amount budgeted of \$380,000.

**CAPITAL ASSETS**

The City invested \$485,763 in capital assets during the year ended December 31, 2006. The balance of capital assets over the capitalization threshold, net of accumulated depreciation, were as follows:

	<b>December 31</b>	
	<b>2006</b>	<b>2005</b>
Capital assets net of depreciation:		
Construction in progress	\$ 89,553	-
Office furniture and equipment	9,766	8,429
Leasehold improvements	7,892	8,518
Infrastructure	<u>1,243,052</u>	<u>882,421</u>
Total	<u>\$1,350,263</u>	<u>899,368</u>

Additional information on the City's capital assets can be found in Note C to the financial statements (starting on page 15 of this report).

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

- ◆ The nation-wide economic recession has impacted the City's operations to the extent that growth of General Fund tax revenue has slowed in comparison to prior years. Sales taxes total 48% of the City's revenue. The General Fund sales tax increased 0.4% from 2005. The Capital Projects Fund capital improvements sales tax increased 5% from 2005.
- ◆ No growth is estimated for General Fund sales tax or capital improvements sales tax in 2007. Interest earnings on idle monies were more in 2006, earning an average of 3.5%. The City anticipates interest earnings to average 5% in 2007.
- ◆ The Capital Projects Fund expenditures for 2007 are projected to be \$410,000, which will include the replacement and maintenance of several City streets.
- ◆ The 2007 budget was prepared with property tax rates remaining at zero.
- ◆ Salaries were increased for eligible employees by 3% for 2007.

**CITY OF GREEN PARK, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents and taxpayers with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the City Clerk's Office at 11100 Mueller Road, Suite 2, Green Park, MO 63123 or telephone, 314-894-7336.



**CITY OF GREEN PARK, MISSOURI**  
**STATEMENT OF NET ASSETS - MODIFIED CASH BASIS**  
**DECEMBER 31, 2006**

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**ASSETS**

Cash and investments	\$ 3,362,713
Cash - restricted for escrows	268,259
Deposits	13,100
Capital assets, net of depreciation	<u>1,350,263</u>
Total Assets	<u>4,994,335</u>

**LIABILITIES**

Escrow deposits	<u>268,259</u>
-----------------	----------------

**NET ASSETS**

Invested in capital assets	1,350,263
Restricted for:	
Protested taxes	5,595
Capital improvements	529,481
Unrestricted	<u>2,840,737</u>
Total Net Assets	<u><u>\$ 4,726,076</u></u>

**CITY OF GREEN PARK, MISSOURI**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenues (Expenses) And Changes In Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants And Contribution</u>	
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental Activities</b>				
Administration	\$ 241,378	20,573	-	(220,805)
Engineering	56,732	56,732	-	-
Police protection	220,594	-	183,577	(37,017)
Street maintenance	105,626	-	18,155	(87,471)
Total Governmental Activities	<u>\$ 624,330</u>	<u>77,305</u>	<u>201,732</u>	<u>(345,293)</u>
<b>General Revenues</b>				
Taxes:				
Sales				743,603
Gross receipts				383,758
Cigarette				9,404
Investment income				121,861
Miscellaneous				461
Total General Revenues				<u>1,259,087</u>
<b>CHANGE IN NET ASSETS</b>				913,794
NET ASSETS, JANUARY 1				<u>3,812,282</u>
<b>NET ASSETS, DECEMBER 31</b>				<u>\$ 4,726,076</u>

See notes to financial statements

**CITY OF GREEN PARK, MISSOURI**  
**STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH**  
**TRANSACTIONS - ALL GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2006**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 2,833,232	529,481	3,362,713
Cash - restricted for escrows	268,259	-	268,259
Deposits	13,100	-	13,100
Total Assets	<u>\$ 3,114,591</u>	<u>529,481</u>	<u>3,644,072</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Escrow deposits	\$ 268,259	-	268,259
<b>Fund Balances</b>			
Designated for contingencies	440,000	-	440,000
Reserved for protested taxes	5,595	-	5,595
Unreserved:			
General Fund	2,400,737	-	2,400,737
Capital Projects Fund	-	529,481	529,481
Total Fund Balances	<u>2,846,332</u>	<u>529,481</u>	<u>3,375,813</u>
Total Liabilities And Fund Balances	<u>\$ 3,114,591</u>	<u>529,481</u>	

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.

1,350,263

Net Assets Of Governmental Activities

\$ 4,726,076

See notes to financial statements



**CITY OF GREEN PARK, MISSOURI**  
**STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID,**  
**AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Total</b>
<b>REVENUES</b>			
Taxes	\$ 935,372	403,125	1,338,497
Licenses and permits	77,305	-	77,305
Other revenues	122,322	-	122,322
Total Revenues	1,134,999	403,125	1,538,124
 <b>EXPENDITURES</b>			
Administration	242,089	-	242,089
Engineering	146,285	-	146,285
Police protection	220,594	-	220,594
Street maintenance and improvements	60,415	405,842	466,257
Total Expenditures	669,383	405,842	1,075,225
 <b>REVENUES OVER (UNDER) EXPENDITURES</b>	465,616	(2,717)	462,899
 <b>FUND BALANCES, JANUARY 1</b>	2,380,716	532,198	2,912,914
 <b>FUND BALANCES, DECEMBER 31</b>	\$ 2,846,332	529,481	3,375,813

**CITY OF GREEN PARK, MISSOURI**  
**RECONCILIATION OF THE STATEMENT OF REVENUES COLLECTED,**  
**EXPENDITURES PAID, AND CHANGES IN FUND BALANCES - ALL**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF**  
**ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

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

Revenues over expenditures	\$ 462,899
----------------------------	------------

Governmental funds report capital outlays as expenditures. However, in the state-  
ment of activities, the cost of those assets is allocated over their estimated useful  
lives and reported as depreciation expense. This is the amount of capital outlays  
over the capitalization threshold of \$485,763 exceeded depreciation (\$34,868) in  
the current year.

<u>450,895</u>
----------------

Change In Net Assets Of Governmental Activities

<u><u>\$ 913,794</u></u>
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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The **CITY OF GREEN PARK, MISSOURI** (the City) was incorporated in 1995. The City operates under a Mayor-Board of Aldermen form of government and provides various services including legislative public safety (police only), streets, health and social services, public improvements, planning and zoning, and general administrative services. The more significant accounting policies consistently applied by 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. The City does not have any component units.

**2. Fund Accounting**

The government-wide financial statements (i.e., the statement of net assets - modified cash basis and the statement of activities - modified cash basis) report information on all of the activities of the City. The statement of activities - modified cash basis demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes charges to those directly relating to the function or segment. Taxes and other items not included among program revenue are reported instead as general revenues.

The following major governmental funds are used by the City:

**General Fund** - The General Fund accounts for all activities except those required to be accounted for in another fund. Revenue in this fund are derived from taxes, fees, and other sources that usually are not designated for any specific purpose. The revenue is used for general ongoing government services such as police, public works, and administration.

**Capital Projects Fund** - The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.



**CITY OF GREEN PARK, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**3. Basis of Accounting**

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

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. Property Taxes**

The City does not levy a tax on the assessed value of real and personal property located within the City.

**5. Investments**

Missouri state statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. government agencies and securities of the State of Missouri and of local governments in Missouri with populations greater than 400,000. Deposits in financial institutions in excess of federally insured amounts must be collateralized by securities pledged to the City by those same institutions. The collateral is required to be held by the City or by the trust department of a financial institution other than the pledging bank. Investments are stated at fair market value.

**6. Capital Assets**

Capital assets, which include office furniture and equipment and infrastructure assets (e.g., roads), are reported in the governmental activities of the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$500 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The City has elected to report major general infrastructure assets prospectively from 2002.

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

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

Assets	Years
Office furniture and equipment	5 - 7
Leasehold improvements	15
Infrastructure	10 - 40

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Compensated Absences**

Employees accrue vacation and sick pay during the year and vested amounts remain unpaid at December 31, 2006. The City records expenditures for compensated absences on the cash basis.

**8. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City.

**9. Use of Estimates**

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

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. 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 December 31, 2006, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

**2. Investments**

As of December 31, 2006, the City had the following investments:

**CITY OF GREEN PARK, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

<u>Investments</u>	<u>Fair Market Value</u>	<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>More Than 10 Years</u>	<u>Credit Risk</u>
<b>Primary Government</b>							
Certificates of deposit	\$3,075,844	-	3,075,844	-	-	-	N/A
Money market funds	<u>209,064</u>	<u>209,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Not rated
Grand Total							
Investments	3,284,908	<u>209,064</u>	<u>3,075,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Cash deposits	<u>346,064</u>						
Total Cash And Investments	<u>\$3,630,972</u>						

**Investments Policies**

**Credit Risk** is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City will minimize credit risk by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio so that potential losses on individual securities will be minimized.

**Interest Rate Risk** is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City will minimize interest rate risk by structuring the investment portfolio so the securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

**Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have a written investment policy covering concentration of credit risk. More than 5% of the City's investments are in certificates of deposit.

**NOTE C - CAPITAL ASSETS**

Capital assets activity was as follows:



**CITY OF GREEN PARK, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE C - CAPITAL ASSETS (Continued)**

	For The Year Ended December 31, 2006			
	Balance December 31 2005	Increase	Decrease	Balance December 31 2006
	Capital assets not being depreciated:			
Construction in progress	\$ -	89,553	-	89,553
Capital assets being depreciated:				
Office furniture and equipment	20,224	4,038	910	23,352
Leasehold improvements	9,385	-	-	9,385
Infrastructure	<u>921,062</u>	<u>392,172</u>	<u>-</u>	<u>1,313,234</u>
Total Capital Assets Being Depreciated	<u>950,671</u>	<u>396,210</u>	<u>910</u>	<u>1,345,971</u>
Less - Accumulated depreciation for:				
Office furniture and equipment	11,795	2,701	910	13,586
Leasehold improvements	867	626	-	1,493
Infrastructure	<u>38,641</u>	<u>31,541</u>	<u>-</u>	<u>70,182</u>
Total Accumulated Depreciation	<u>51,303</u>	<u>34,868</u>	<u>910</u>	<u>85,261</u>
Total Capital Assets, Being Depreciated, Net	<u>899,368</u>	<u>361,342</u>	<u>-</u>	<u>1,260,710</u>
Governmental Activities Capital Assets, Net	<u>\$899,368</u>	<u>450,895</u>	<u>-</u>	<u>1,350,263</u>

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

	For The Year Ended December 31 2006
Governmental activities:	
Administration	\$ 3,327
Street maintenance	<u>31,541</u>
	<u>\$34,868</u>

**NOTE D - OPERATING LEASE**

The City is obligated under a cancelable real estate lease for building and office facilities through October 31, 2007. It is accounted for as an operating lease. Total costs under real estate leases were \$40,100 for the year ended December 31, 2006.

**NOTE E - DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan through the Equitable Equivest Unit Annuity Collections, created in accordance with Internal Revenue Code Section 457. The plan was estab-

**CITY OF GREEN PARK, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE E - DEFERRED COMPENSATION PLAN (Continued)**

lished by an ordinance of the City Board of Aldermen through a plan dated July 2003. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Pursuant to the plan's provisions, the City is obligated to match contributions equal to 3% of each active eligible participant's deferral. City's contributions paid to the plan amounted to \$1,312 for the year ended December 31, 2006.

**NOTE F - COMMITMENTS AND CONTINGENCIES**

The City contracted the St. Louis County Police Department to provide services. Payments for services for the year ended December 31, 2006 amounted to \$220,594. The current contract will expire May 31, 2007. This amount can be adjusted when both parties agree that special circumstances arise which require additional related costs.

The City is a member of the Missouri Public Entity Risk Management Fund (MOPERM), which is a public entity risk pool for general liability, law enforcement liability, public officials' errors and omission, and automobile liability. The City pays an annual contribution to MOPERM for its insurance coverage. Should the contributions received not produce sufficient funds to meet obligations, MOPERM is empowered to make special assessments. Members of MOPERM are jointly and severally liable for all claims against MOPERM. Settled claims have not exceeded the City's commercial coverages in any of the past three fiscal years.

**REQUIRED SUPPLEMENTAL INFORMATION SECTION**



**CITY OF GREEN PARK, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**GENERAL FUND - SCHEDULE OF REVENUES COLLECTED -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005**

	2006		2005	
	Original And Final Budgeted Amounts	Actual	Over (Under) Budget	Actual
<b>REVENUES</b>				
General revenues:				
Taxes:				
Cigarette	\$ 10,000	9,404	(596)	9,496
Cable and utility	310,000	383,758	73,758	353,095
Gasoline	77,000	76,281	(719)	77,280
Motor vehicle fee increase	13,000	19,161	6,161	14,124
Motor vehicle sales tax	19,000	16,874	(2,126)	18,851
Road and bridge	73,000	89,416	16,416	93,541
Sales	320,000	340,478	20,478	339,266
Total Taxes	822,000	935,372	113,372	905,653
Other revenues:				
Investment income	45,000	121,861	76,861	68,960
Miscellaneous	500	461	(39)	2,750
Total Other Revenues	45,500	122,322	76,822	71,710
Total General Revenues	867,500	1,057,694	190,194	977,363
Program revenues:				
Licenses and permits	49,800	77,305	27,505	75,334
	\$ 917,300	1,134,999	217,699	1,052,697

**CITY OF GREEN PARK, MISSOURI**  
**REQUIRED SUPPLEMENTAL INFORMATION -**  
**GENERAL FUND - SCHEDULE OF EXPENDITURES PAID -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005**

	2006		2005	
	Original And Final Budgeted Amounts	Actual	Over (Under) Budget	Actual
<b>EXPENDITURES</b>				
Administration:				
Salaries	\$ 100,000	94,829	(5,171)	92,925
Capital outlay	5,000	4,488	(512)	4,384
Dues and subscriptions	2,700	2,471	(229)	2,512
Election fees	2,000	848	(1,152)	1,143
Employee training	1,800	1,039	(761)	1,395
Health	1,800	770	(1,030)	863
Insurance	11,000	9,009	(1,991)	10,279
Legal notices and publications	5,000	3,172	(1,828)	4,496
Licenses and permits	1,500	873	(627)	1,054
Maintenance and repairs	2,500	1,420	(1,080)	2,604
Miscellaneous	800	329	(471)	596
Newsletters and delivery	2,500	2,014	(486)	1,634
Office	7,500	3,494	(4,006)	5,865
Outside labor	4,000	1,752	(2,248)	1,823
Payroll taxes	8,200	7,592	(608)	7,618
Postage	1,500	972	(528)	1,066
Professional fees	79,550	61,503	(18,047)	62,788
Public relations	3,000	313	(2,687)	1,027
Rent	40,100	40,100	-	40,100
Telephone	3,000	2,717	(283)	2,633
Utilities	4,000	2,384	(1,616)	2,466
Total Administration	287,450	242,089	(45,361)	249,271
Engineering	205,000	146,285	(58,715)	53,053
Police protection	224,000	220,594	(3,406)	212,025
Street maintenance	150,000	60,415	(89,585)	48,686
	\$ 866,450	669,383	(197,067)	563,035

**CITY OF GREEN PARK, MISSOURI  
REQUIRED SUPPLEMENTAL INFORMATION -  
NOTES TO SCHEDULES OF REVENUES COLLECTED AND  
EXPENDITURES PAID - BUDGET AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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**Budgetary Data**

The City follows these procedures in establishing the budgetary data:

1. The proposed budget is submitted to the Board of Aldermen. The operating budget includes proposed expenditures and means of financing them, not to exceed the total revenues plus any unreserved balance at the end of such year.
2. The budget must be adopted by the Board of Aldermen.
3. Budget amendments must be approved by the Board of Aldermen.
4. All annual appropriations lapse at year-end.



**OTHER SUPPLEMENTAL INFORMATION SECTION**

**CITY OF GREEN PARK**  
**OTHER SUPPLEMENTAL INFORMATION -**  
**CAPITAL PROJECTS FUND - SCHEDULE OF REVENUES COLLECTED AND**  
**EXPENDITURES PAID - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005**

	2006		2005	
	Original And Final Budgeted Amounts	Actual	Over (Under) Budget	Actual
<b>REVENUES</b>				
Taxes	\$ 380,000	403,125	23,125	383,270
<b>EXPENDITURES</b>				
Street improvements	525,000	405,842	(119,158)	329,287
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (145,000)</u>	<u>(2,717)</u>	<u>142,283</u>	<u>53,983</u>

**INTERNAL CONTROL AND COMPLIANCE SECTION**





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

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

May 22, 2007

Honorable Mayor and Board of Aldermen  
**CITY OF GREEN PARK, MISSOURI**

We have audited the financial statements of the governmental activities and each major fund of the **CITY OF GREEN PARK, MISSOURI** (the City) as of and for the year ended December 31, 2006, and have issued our report thereon dated May 22, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

- 16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055
- 1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

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

*Hochschild, Bloom + Company LLP*  
CERTIFIED PUBLIC ACCOUNTANTS