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Audited Modified Cash Basis Financial Statements, 2006

City of Greendale

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CITY OF GREENDALE MISSOURI

Audited Modified Cash Basis Financial Statements

For the Year Ended April 30, 2006

Michael Cummins, CPA, P.C.

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Board of Alderpersons
City of Greendale, Missouri

We have audited the accompanying financial statements of the governmental activities and each major fund of the City of Greendale, Missouri as of and for the year ended April 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 1, the City of Greendale, Missouri prepares its government-wide and fund 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 - modified cash basis of the government activities and each major fund of the City of Greendale, Missouri at April 30, 2006, and the respective changes in financial position - modified cash basis for the year then ended, on the basis of accounting described in Note 1.

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Michael Cummins, CPA President - Kathryn Trimarke, Principal

Michael Cummins, CPA, P.C. (Continued)

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by U.S. generally accepted accounting principles modified for the cash basis of accounting.. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.


Michael Cummins, CPA, P.C.
November 16, 2006

City of Greendale - Missouri
Management Discussion and Analysis
For The Year Ended April 30, 2006 and 2005

USING THIS ANNUAL REPORT

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the City's modified cash basis of accounting.

Report Components

This annual report consists of four parts as follows:

Government-Wide Financial Statements: The Statement of Net Assets and the Statement of Activities provide information about the activities of the City government-wide (or "as a whole") and present a longer-term view of the City's finances.

Fund Financial Statements: Fund financial statements focus on the individual parts of the City government. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant ("major") funds. For *governmental activities*, these statements tell how these services were financed in the short term as well as what remains for future spending.

Notes to the Financial Statements: The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Required Supplementary Information: This Management's Discussion and Analysis and the General Fund Budgetary Comparison Schedule (represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

Basis of Accounting

The City has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to *when* financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the City's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except for the recording of depreciation expense on capital assets in the government-wide financial statements for all activities and in the fund financial statements for proprietary fund activities.

City of Greendale - Missouri
Management Discussion and Analysis
For The Year Ended April 30, 2006 and 2005
(Continued)

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) *are not recorded* in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in the limitations resulting from the use of the modified cash basis of accounting.

Net Assets –Modified Cash Basis April 30, 2006 and 2005

	April 30,	
	2006	2005
Assets		
Cash	\$ 402,339	\$ 453,094
Capital assets	422,825	279,529
Total assets	<u>\$ 825,164</u>	<u>\$ 732,623</u>
Long-term debt outstanding	380,000	390,000
Other liabilities	10,352	9,755
Total liabilities	<u>390,352</u>	<u>399,755</u>
Net assets		
Invested in capital assets, net of related debt	42,825	(110,471)
Unrestricted	391,655	443,338
Total net assets	<u>\$ 434,480</u>	<u>\$ 332,868</u>

City of Greendale - Missouri
Management Discussion and Analysis
For The Year Ended April 30, 2006 and 2005
(Continued)

Statement of Activities—Modified Cash Basis Year Ended April 30, 2006 and 2005
Year Ended April 30,
2006 2005

	2006	2005
Revenues collected		
Charges for services and operating grants		
Court fines	\$ 49,569	\$ 42,656
Charges for services	47,772	9,536
Grants	53,626	10,000
	150,967	62,192
General revenues		
Taxes	252,531	245,946
Licenses, permits, fees & fines	5,497	8,944
Interest	6,494	5,205
Other	135	2,790
	264,657	262,885
Total revenues collected	415,624	325,077
Expenses paid		
Administration	82,357	70,323
Police	87,667	86,358
Public works	125,176	113,388
Interest	18,812	26,264
	314,012	296,333
Net increase	101,612	28,744
Beginning net assets	332,868	304,124
Ending net assets	\$ 434,480	\$ 332,868

REVENUE

Park Grant Revenue: The City applied for a park grant from St. Louis County Municipal Park Grant Commission in October 2004 (FY 05) for the first time ever and received the funds (\$44,000) in June 2005 (FY 06) after construction of the City park and pavilion were completed and approved by the grant source. This contributed to more cash assets in FY 06 over FY 05.

Solid Waste Billing Revenue: The City began charging residents for solid waste removal in November 2005 (FY 06). Prior to that point, the City paid for this service from general revenue. This contributed to more cash assets in FY 06 over FY 05.

Budget vs. Actual deviation – The City had no prior history upon which to base its estimate of timeliness of payments by residents. Quarterly billing due dates 30 days after

City of Greendale - Missouri
Management Discussion and Analysis
For The Year Ended April 30, 2006 and 2005
(Continued)

REVENUE (Continued)

billing date also delayed payments as this was not accounted for during the budget process. Hence, less was collected (\$32,286.26) during the fiscal year than expected (\$49,700).

Obesity Grant Income: The City applied for and received an obesity prevention grant (\$8100) from the State of Missouri Dept. of Health and Senior Services. This was a first in Greendale. This contributed to more cash assets in FY 06 over FY 05.

Budget vs. Actual deviation - Although the grant was approved in May 2005, funds are received **after** the expense has been incurred by the City. The City bills HSS at the end of every month for expenses of that month; reimbursements come a few weeks later, causing expenses incurred at the tail end of FY06 to not be reimbursed until the first month of FY07. This delay in reimbursement scheduling was not anticipated during the budget process.

Vehicle Sales Tax: For reasons unknown, November 2005 through April 2006 sales tax receipts were less than each of the same months last fiscal year by about \$100 each. Higher gas prices may have negatively affected vehicle sales.

Electric Utility Tax: AmerenUE gross receipts from Greendale residents and businesses were reported higher this FY over last FY, which made the tax collected higher than expected/budgeted by almost \$1600.

Cable Utility Tax: The City normally receives 4 payments/year from Charter Cable. FY 06 = only 3 payments received – 4th one came in FY 07. This caused the line item to be under budget by \$1311.

Road & Bridge tax: Last half of FY 06 monthly receipts from the County ran ahead of the same period in FY 05 (\$1454 > budget). Reason unknown.

Merchants license fees: Two of the five Greendale businesses left the area in FY 06, causing less license fees than expected and less than FY 05.

Motor Vehicle-Additional – represents vehicle stickers issued at City Hall in addition to the \$6/vehicle collected by St. Louis County on the city's behalf. FY 06 is the second year in a row this item has come in around \$420 instead of the budgeted \$330 to \$350. Since it is such a small amount, the difference results in a larger percent deviation from budget. City will assume the \$420 is a stable annual amount to expect.

Animal Licenses – Budgeted amount for FY 06 anticipated stronger enforcement of animal ordinance, but it proved more difficult than expected. Under budget by \$110.

City of Greendale - Missouri
Management Discussion and Analysis
For The Year Ended April 30, 2006 and 2005
(Continued)

REVENUE (Continued)

Permits: All permit fees collected in FY 06 are significantly higher than FY 05 due to more building permits issued in FY 06 over FY 05 (14 vs. 12), and more occupancy inspections (35 vs. 27). This also accounts for the significant difference between budget vs. actual permit revenue in FY 06.

Court revenue: Court bond forfeitures were higher FY 06 than FY 05 because the court clerk gained more experience with the mechanized court system and issued more CBF hearing notices and warrants than in FY 05. Court night revenue each month in FY 06 was higher than FY 05 by several thousand dollars also.

Miscellaneous – FY 05 contained an insurance deposit (\$2592.50) issued to the City pending removal of a resident's severely damaged detached garage. This was a one-time occurrence in FY 05 that was not repeated in FY 06. **Budgeted and actual** for this line item are so small that the deviation results in 17% difference.

Interest: Because of new restricted funds like Capital Improvement and Storm Water/Parks sales tax, FY 06 was the first year the City tracked interest earned in QB PRO by account type. Prior to that, all interest was coded to the same line item. CD interest increased significantly from FY 05 to FY 06 following the summer 2004 decision to cease investing CD account interest into the Money Market account as CD interest rates were higher. Money Market account interest increased because rates went up between FY 05 and FY 06.

Sewer Lateral Tax: A \$3300 sewer lateral job payment via back real estate taxes owed by one resident was made February 2006, which sent this item about that much over the budgeted amount (\$12,725 vs. \$9,240).

EXPENSE

Payroll Expense: Payroll expenses exceeded budget in FY 06 due to a miscalculation by the budget officer (Mayor). FY 06 was the first full year the City did its own payroll.

Travel & Training: This line item was increased significantly over FY 05 because the City/Court Clerk attended two formal training sessions– not done in FY05.

Code 550 – Professional Fees: A) Legal fees were about \$900 more than FY 05 because the city paid the judge for the full FY 06 vs. only part of the year in FY 05 (new judge at higher rate of pay). But, FY 06 legal fees were under budget because City Attorney fees were less than anticipated. B) First-time ordinance codification was completed in FY 05, but only minor updates were done in FY 06, less than anticipated. C) Solid waste billing fees ran under budget in FY 06 because of the under-budget revenue collected. Fees are a percent of revenue collected. D) Inspections are done by contract Building Inspector.

City of Greendale - Missouri
Management Discussion and Analysis
For The Year Ended April 30, 2006 and 2005
(Continued)

EXPENSE (Continued)

Several more inspections due to housing turnover occurred than anticipated. The total category was 83% of budget in FY 06.

Printing & Advertising: This item was under budget because city staff took advantage of Office Max volume discount coupons for newsletter printing.

Capital Expenditures: Computer software expense ran under budget in FY 06 because the planned mechanized court system software update was postponed by the vendor – not done until FY 07. Line item 560 other is the sidewalk & street repair/construction expense captured, which was paid out of the bond issue funds (construction fund account). It was budgeted as a transfer from the construction fund account to the general revenue account.

Repairs & Maintenance: The old Ricoh copier in the office did not require as many repairs in FY 06 as anticipated, which is why this line item was under budget. It was replaced in FY 07 with a leased copier after a part failed that could not be replaced.

Miscellaneous: FY 05 contained an insurance deposit (\$2592.50) refund to the resident after removal of a severely damaged detached garage. This was a one-time occurrence in FY 05 that was not repeated in FY 06.

Public Works Contract Fees – Leaf vacuuming was contracted to Munie Outdoors for \$2800 in FY 06 – not done in FY 05. Also, the \$3300 back real estate taxes for a sewer lateral job done on one resident’s property was transferred to St. Louis County in FY 06. These two items are the bulk of the difference between FY 05 and 06 for this category.

Grant expense: The bulk of the difference between FY 05 and 06 grant expenses is a result of park grant expense for pavilion/park construction, new obesity grant activities, and recycle grant expenses (education) in FY 06. The City did not have these grants in FY 05.

Prisoner Holding Cell fees: This item exceeded budget in FY 06 by 11% because a couple of defendants did not post bond for several days, more than budgeted or realized in previous years. Reimbursement is attached to defendant’s fines in hopes of recouping this expense if/when the fines are paid.

For questions please contact the Mayor Monica Huddleston at the City of Greendale (314) 383-2664.

City of Greendale - Missouri
Statement of Net Assets - Modified Cash Basis
April 30, 2006

Assets

	Governmental Activities
Current assets	
Cash	\$ 402,339
Total current assets	402,339
Noncurrent assets	
Furniture & equipment	9,832
Infrastructure	431,356
Total cost	441,188
Less: accumulated depreciation	(18,363)
Total fixed assets	422,825
Total assets	\$ 825,164

Liabilities

Current liabilities	
Court bonds	\$ 7,486
Payroll withholding	332
Deposits	2,866
General obligation bonds	
Due within one year	15,000
Long term	365,000
Total liabilities	390,684
Net assets	
Invested in capital assets, net of related debt	42,825
Unrestricted	391,655
Total net assets	434,480
Total liabilities & net assets	\$ 825,164

See Notes to the Financial Statements

City of Greendale - Missouri
Statement of Activities - Modified Cash Basis
For The Year Ended April 30, 2006

Functions/Programs	Expenses	Program Charges for Services and Sales	Grants	Net (Expenses) Revenue and Changes in Net Assets Government Activities
Governmental activities:				
Administration	\$ (82,357)	\$ -	\$ 6,722	\$ (75,635)
Police & court	(87,667)	49,569	-	(38,098)
Public works	(125,176)	47,772	46,904	(30,500)
Interest	(18,812)	-	-	(18,812)
	(314,012)	97,341	53,626	(163,045)
General revenues:				
Taxes				
Property taxes				35,787
Sales taxes				151,638
Utility taxes				41,749
Other taxes				23,357
Licenses & Permits				5,497
Interest				6,494
Other				135
				264,657
Subtotal, general revenues				264,657
Changes in net assets				101,612
Net assets - beginning				332,868
Net assets - ending				\$ 434,480

See Notes to the Financial Statements.

City of Greendale - Missouri
Statement of Assets And Liabilities - Modified Cash Basis
Governmental Funds
April 30, 2006

	General	Capital Improvements	Stormwater Parks	Capital Projects	Debt Service	Total
Assets						
Cash	\$ 342,359	\$ 34,172	\$ 10,433	\$ 15,375	\$ -	\$ 402,339
Total assets	\$ 342,359	\$ 34,172	\$ 10,433	\$ 15,375	\$ -	\$ 402,339
Liabilities						
Court bonds	\$ 7,487	\$ -	\$ -	\$ -	\$ -	\$ 7,487
Payroll withholding	331	-	-	-	-	331
Deposits	2,866	-	-	-	-	2,866
	10,684	-	-	-	-	10,684
Fund balance	331,675	34,172	10,433	15,375	-	391,655
Total fund balance	331,675	34,172	10,433	15,375	-	391,655
Total liabilities and fund balances	\$ 342,359	\$ 34,172	\$ 10,433	\$ 15,375	\$ -	\$ 402,339

See Notes to the Financial Statements

City of Greendale - Missouri
 Reconciliation of Total Governmental Fund Balance
 (Modified Cash Basis) To
 Net Assets (Modified Cash Basis) of Governmental Activities
 April 30, 2006

activities are different because:

Total fund balance - governmental funds	\$	391,655
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Capital asset related transactions

Capital assets are recorded as expenditures paid in the fund financial statements. They are recorded as assets and depreciated over their estimated useful lives in the Governemnt activities statement of net assets

Capital assets net of accumulated depreciation		422,825
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Debt related transactions

General obigation bonds are not reported in governmental funds in the Governemnt activities statement of net assets

Bond liabilities recorded in governmental activities		<u>(380,000)</u>
--	--	------------------

Total net assets - governmental activities	\$	<u><u>434,480</u></u>
--	----	-----------------------

See Notes to the Financial Statements.

City of Greendale - Missouri
 Statements of Revenues Collected, Expenditures Paid
 Changes In Fund Balances - Modified Cash Basis -Governmental Funds
 For The Year Ended April 30, 2006

	General	Capital Improvements	Stormwater Parks	Capital Projects	Debt Service	Total
Revenues collected						
Taxes	\$ 205,527	\$ 40,808	\$ 6,196	\$ -	\$ -	\$ 252,531
Licenses, permits, fees & fines	70,552	-	-	-	-	70,552
Solid waste charges	32,286	-	-	-	-	32,286
Grants	53,626	-	-	-	-	53,626
Interest	5,600	301	73	510	9	6,493
Other	135	-	-	-	-	135
Total revenues collected	<u>367,726</u>	<u>41,109</u>	<u>6,269</u>	<u>510</u>	<u>9</u>	<u>415,623</u>
Expenditures paid						
Administration	81,573	-	-	-	18	81,591
Police	87,667	-	-	-	-	87,667
Public works	116,547	-	-	-	-	116,547
Debt service	28,812	-	-	-	-	28,812
Capital expenditures	152,689	-	-	-	-	152,689
Total expenditures paid	<u>467,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>467,306</u>
Revenues collected over (under)						
Expenditures paid before transfers & other	(99,562)	41,109	6,269	510	(9)	(51,683)
Transfers & other						
Transfers from other funds	127,989	-	-	-	10,424	138,413
Transfers to other funds	-	(28,812)	(1,150)	(98,036)	(10,415)	(138,413)
Total transfers	<u>127,989</u>	<u>(28,812)</u>	<u>(1,150)</u>	<u>(98,036)</u>	<u>9</u>	<u>-</u>
Revenues collected Over (under) expenditures paid						
	<u>28,427</u>	<u>12,297</u>	<u>5,119</u>	<u>(97,526)</u>	<u>-</u>	<u>(51,683)</u>
Fund balance beginning	<u>303,248</u>	<u>21,875</u>	<u>5,314</u>	<u>112,901</u>	<u>-</u>	<u>443,338</u>
Fund balance ending	<u>\$ 331,675</u>	<u>\$ 34,172</u>	<u>\$ 10,433</u>	<u>\$ 15,375</u>	<u>\$ -</u>	<u>\$ 391,655</u>

See Notes to the Financial Statements.

City of Greendale - Missouri
 Reconciliation of The Statement of Revenues Collected,
 Expenditures Paid And Changes In Fund Balances of
 Governmental Funds (Modified Cash Basis) To The Statement of
 Activities - Modified Cash Basis
 For The Year Ended April 30, 2006

Total net change In fund balances--governmental funds	\$	(51,683)	-
Amounts reported for governmental activities in the statement of activities are different because:			
Debt related transactions			
Principal payments long term debt		10,000	-
Capital asset related transactions			
Capital assets are expended in the fund financial statements. The Statement of governmental activities records these as assets and depreciates them over their estimated useful lives.			
Depreciation		(9,393)	-
Capital Outlays		<u>152,688</u>	-
Change In net assets of governmental activities		<u>\$ 101,612</u>	-

See Notes to the Financial Statements

City of Greendale, Missouri
Notes To Financial Statements
April 30, 2006

1. REPORTING ENTITY

The City defines its reporting entity in accordance with Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. The criteria used in determining the scope of the entity for financial reporting purposes includes, but is not limited to, the method of budget adoption, taxing authority, whether debt is secured by revenues or general obligations of the City, the obligation of the City to finance any deficits that may occur, and supervision over the accounting functions.

Component units are organizations for which the City, as the primary government, is financially accountable. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either 1) be able to impose its will on the organization or 2) the relationship must have the potential for creating a financial benefit to or imposing a financial burden on the City.

The City has determined that there are no entities that meet the criteria of a component unit.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City's government-wide financial statements are prepared in accordance with the modified cash basis, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). The City's fund financial statements are also prepared on the modified cash basis. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

Measurement Focus and Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the City. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes.

The statement of activities presents a comparison between direct expenses paid and program revenues collected for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

City of Greendale, Missouri

Notes To Financial Statements

April 30, 2006

(Continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds.

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used.

The difference between governmental fund assets and liabilities is reported as fund balance.

The City has one general fund two special revenue funds, one capital project fund and a debt service fund.

General Fund – This fund is used to account for revenues and expenses not accounted for in another fund.

Special Revenue Funds

Storm Water Parks Fund

This fund is to be used for funding of storm water control or for local parks, or both.

Capital Improvement Fund

This fund is used to account for capital improvement sales tax used to fund capital improvements, including the operation and maintenance of capital improvements.

Capital Projects Fund

The fund is to be used by the City to account for bond proceeds and related construction costs.

Debt Service

The City has a debt service fund however the amounts were immaterial and the City uses the general fund for debt service.

Capital Assets

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

City of Greendale, Missouri
 Notes To Financial Statements
 April 30, 2006
 (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City maintains a capitalization threshold of \$ 100 dollars. The City has not recorded infrastructure expended in the current year. The City has not recorded infrastructure from the prior years. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives Years</u>
Infrastructure	50
Equipment	5-10

Estimates

Management of the City uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure or non-disclosure of contingent assets and liabilities, if any, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

3. CASH AND SHORT-TERM INVESTMENTS

Cash and short-term investments include amounts in demand deposits as well as certificates of deposits with a maturity date within three months of the date acquired by the City.

State statutes authorize the government to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

At year end, the carrying amount of the City's cash was insured or collateralized.

The City does not have written collateral agreements with its banks and, under a provision of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), the absence of such written agreements could jeopardize the City's rights to the pledged collateral, when amounts invested exceed FDIC insurance.

City of Greendale, Missouri

Notes To Financial Statements

April 30, 2006

(Continued)

4. FIXED ASSETS

	Beginning	Additions	Reclassifications	Retirements	Ending
Cost					
Equipment	\$ 9,832	\$ -	\$ -	\$ -	\$ 9,832
Infrastructure	274,090	152,688	4,578		431,356
Construction in progress	4,578	-	(4,578)	-	-
Total	288,500	152,688	-	-	441,188
Accumulated Depreciation					
Equipment	6,230	765		-	6,995
Infrastructure	2,741	8,627		-	11,368
Total accumulated depreciation	8,971	9,392		-	18,363
Net Capital assets	\$ 279,529	\$ 143,296	\$ -	\$ -	\$ 422,825

Depreciation was allocated to the following functions:

Depreciation	
Administration	\$ 765
Public works	<u>8,627</u>
	<u>\$ 9,392</u>

City of Greendale, Missouri
Notes To Financial Statements
April 30, 2006
(Continued)

5. REAL ESTATE AND PROPERTY TAXES

The City's property tax is levied each year on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Assessed values are established by the St. Louis County Assessor at 32% of estimated market value for commercial property, 19% of estimated market value for residential property, and 12% of estimated market value for agricultural property. All real property is reassessed every two years. The assessed value at January 1, 2005, upon which the 2005 levy was based for real, personal and public utility property, was \$6,634,381.

6. TAXES COLLECTED BY OTHER GOVERNMENTS

Motor vehicle, cigarette and gasoline taxes are collected by the Missouri Department of Revenue. Sales taxes are collected by the Missouri Department of Revenue and transferred to St. Louis County Missouri who then passes the collections on to the City.

7. BOND DEPOSITS

Bond deposits consist of court bond deposits. The bonds are held until a final disposition is made in each case.

The City also collects bonds for construction and other purposes which are held in escrow.

8. GENERAL OBLIGATION BONDS

The City issued general obligation bonds which were authorized on September 9, 2004. The bonds have an interest rate of 4.75%. The bonds are payable in installments through March 24, 2024. According to the City Legal council the City is not obligated to establish a tax or debt service fund for the bonds. The bonds are paid out of the general fund of the City.

The changes in the general obligation bonds were as follows:

Bonds issues	\$	390,000
Less principal payments		<u>(10,000)</u>
	<u>\$</u>	<u>380,000</u>
 Due within one year	 \$	 <u>15,000</u>

City of Greendale, Missouri

Notes To Financial Statements

April 30, 2006

(Continued)

The principal and debt interest are as follows:

Year	Principal	Interest
2007	\$ 15,000	\$ 18,050
2008	15,000	17,338
2009	15,000	16,625
2010	15,000	15,913
2011	20,000	15,200
2012-2017	120,000	72,675
2018-2023	150,000	35,269
2024	30,000	713
	<u>\$ 380,000</u>	<u>\$ 191,783</u>

Assessed valuation January 1, 2005	<u>\$ 6,634,381</u>
Debt limit - 10% of assessed value	\$ 663,438
Less general obligation bonds	(380,000)
Add amount available in debt service fund	<u>-</u>
Legal debt margin	<u>\$ 283,438</u>

9.COMMUNITY DEVELOPMENT GRANT PROGRAM

The City has available Community Development funds at April 30, 2006. Grant revenue and expenses have appropriately not been recorded on the City records because the funds are administered and disbursed directly through the St. Louis County Office of Community Development.

10.RESTRICTED REVENUES

State Motor Vehicle fuel tax and County Road and Bridge tax allocations to the City are restricted for use of repair, policing, signs, lighting, construction, etc. for roads, bridges, and highways in accordance with Section 30(a) of the Missouri Constitution. Also, revenues from a \$3 per moving violation court cost are restricted for police training expenditures. The City Sales taxes are restricted for capital improvements, parks and storm water projects.

City of Greendale, Missouri
Notes To Financial Statements
April 30, 2006
(Continued)

11. CONTRACTUAL AGREEMENTS

The City has a contractual agreement with the Village of Bel-Nor Missouri, which provides police services. The term of the agreement is for three years beginning July 1, 2004 for \$ 7,222 per month.

The City has a contractual agreement with the City of Northwoods Missouri, which provides prisoner services. Fees are billed based on the number of prisoners and related costs.

12. INTERFUND TRANSFERS

The City made transfers between the funds to the general fund as disclosed in the financial statements. The most significant of these was a transfer to the general fund for payment of construction costs.

13. SEWER LATERAL FEES

Sewer lateral fees are collected by St. Louis County who retains the funds and is not included in the financial statements.

14. LEASES

The city leases office space on a month to month basis.

15. RISK MANAGEMENT

The City is exposed to various risks of litigation and casualties. The City manages these risks by purchasing insurance. The Coverage of the policies has not changed significantly from the prior year. There were no settlements in excess of insurance for the past three years.

REQUIRED SUPPLEMENTAL INFORMATION

City of Greendale - Missouri
 Budgetary Comparison Schedule
 General Fund
 For the year ended April 30, 2006

	Actual	Budget	
		Original	Final
Revenues collected			
Property taxes			
Real estate tax	\$ 28,533	\$ 27,000	\$ 28,800
Bridge & road	7,254	5,800	5,800
Total property taxes	35,787	32,800	34,600
Sales taxes			
Sales tax - county pool	92,081	86,000	90,000
Sales tax - vehicle	4,782	5,300	5,300
Motor vehicle	7,351	6,800	6,800
Motor vehicle - additional	421	350	350
Total sales taxes	104,635	98,450	102,450
Utility taxes			
Electric	14,038	44,600	12,477
Gas	18,583	-	18,583
Water	3,381	-	3,289
Telephone	5,747	-	5,961
Other	-	-	450
Total utility taxes	41,749	44,600	40,760
Other taxes			
Fuel tax	20,756	20,000	20,000
Cigarette tax	2,600	2,760	2,760
Total other taxes	23,356	22,760	22,760
Total taxes	205,527	198,610	200,570
Licenses permits fees and fines			
Fine/costs	49,394	45,000	45,000
Sewer lateral fees	12,725	-	9,240

See notes to required supplemental information.

City of Greendale - Missouri
Budgetary Comparison Schedule
General Fund- (Continued)
For the year ended April 30, 2006

	Actual	Budget	
		Original	Final
Cable	4,131	-	5,442
Merchants	45	75	75
Bid specs	100	-	-
Animal	390	500	500
Building	963	800	600
Housing inspections	1,698	1,500	1,230
Occupancy	921	300	816
Reimbursements	1	200	200
Garage sale	10	8	9
False alarms	174	250	250
Total licenses permits fees and fines	70,552	48,633	63,362
Charges for services			
Solid waste billing	32,286	-	49,700
Grants			
Park commission grant	44,000	-	44,000
Obesity grant	6,722	-	8,100
Recycle grant	2,904	-	2,904
Total grants	53,626	-	55,004
Interest			
Interest	5,600	2,600	5,156
Total interest	5,600	2,600	5,156
Other income			
Miscellaneous	135	425	-
Total other income	135	425	-
Total revenues	367,726	250,268	373,792

See notes to required supplemental information.

City of Greendale - Missouri
 Budgetary Comparison Schedule
 General Fund- (Continued)
 For the year ended April 30, 2006

	Actual	Budget	
		Original	Final
Expenditures paid			
Administration			
City officer	8,750	8,767	8,767
Clerks	20,043	21,000	21,000
Payroll taxes	7	4,680	1,800
Rent	2,400	2,400	2,400
Insurance	8,257	8,000	8,000
Travel & training	1,221	1,000	1,400
Office supplies/printing	2,440	2,600	2,000
Postage	1,303	850	1,325
Dues & subscriptions	1,537	1,750	1,600
Repairs equipment	445	700	700
Bank charges	14	100	50
Election expense	577	1,100	600
Professional fees:	10,461	12,525	12,525
Accounting	4,000	6,000	4,500
Payroll service	59	300	59
Codification	1,410	2,550	2,550
Inspections	1,320	900	900
Contract labor	823	800	800
Printing & advertising	1,482	600	2,300
Telephone	2,302	2,300	2,300
Sunshine fund	397	500	500
Engineering service	-	1,500	-
Court fess	-	4,490	-
Master plan	4,200	-	4,200
Obesity grant	7,782	-	8,100
Miscellaneous	343	600	800
Total administration	81,573	86,012	89,176
Public works			
Street cleaning	3,034	200	3,280
Solid waste	78,356	80,000	78,356
Solid waste billing fees	1,859	-	2,438
Street lights	7,740	7,800	7,800

See notes to required supplemental information.

City of Greendale - Missouri
 Budgetary Comparison Schedule
 General Fund- (Continued)
 For the year ended April 30, 2006

	Actual	Budget	
		Original	Final
Pest/mosquito	268	570	268
Snow removal	852	2,500	2,500
Forestry/tree	7,685	7,000	8,000
Lawn/leaf removal	-	300	300
Sewer lateral	13,141	-	9,240
Recycle grant	3,573	-	3,125
Repairs & maintenance streets	39	-	15,000
Total public works	116,547	98,370	130,307
Police			
Police services	86,667	86,667	86,667
Prisoner holding cell fees	1,000	300	900
Total polices	87,667	86,967	87,567
Debt service			
Principal payments	10,000	-	10,000
Interest bonds	18,525	-	18,525
Bond expenses general fund	287	-	-
Total debt service	28,812	-	28,525
Capital expenditures			
Streets	111,907	101,825	101,825
Parks grant expense	40,782	-	40,782
Computer	-	1,600	1,600
Total capital expenditures	152,689	103,425	144,207
Total expenditures	467,288	374,774	479,782
Revenues collected over (under)			
Expenditures paid before transfers & other	(99,562)	(124,506)	(105,990)

See notes to required supplemental information.

City of Greendale - Missouri
 Budgetary Comparison Schedule
 General Fund- (Continued)
 For the year ended April 30, 2006

	Actual	Budget Original	Budget Final
Transfers			
Transfer from capital improvement tax	19,550	-	-
Transfer from debt service	10,414	-	-
Transfer from storm water fund	1,150	-	-
Transfer from capital projects fund	96,875	-	-
Total transfers	127,989	-	-
Revenues collected over (under)			
Expenditures paid	28,427	(124,506)	(105,990)
Fund balance beginning	303,248	303,248	303,248
Fund balance ending	\$ 331,675	\$ 178,742	\$ 197,258

See notes to required supplemental information.

City of Greendale - Missouri
 Budgetary Comparison Schedule
 Capital Improvement Fund
 For the year ended April 30, 2006

	Actual	Budget	
		Original	Final
Revenues collected			
Capital improvement sales tax	\$ 40,808	\$ -	\$ 38,000
Interest - capital improvement fund	301	-	350
Total revenues collected	41,109	-	38,350
Revenues collected over (under)			
Expenditures paid before transfers & other	41,109	-	38,350
Transfers			
Transfer to debt service	(9,262)	-	-
Transfer to general fund	(19,550)	-	-
Total transfers	(28,812)	-	-
Revenues collected over (under)			
Expenditures paid	12,297	-	38,350
Fund balance beginning	21,875	21,875	21,875
Fund balance ending	\$ 34,172	\$ 21,875	\$ 60,225

See notes to required supplemental information.

City of Greendale - Missouri
 Budgetary Comparison Schedule
 Storm Water Tax Fund
 For the year ended April 30, 2006

	Actual	Budget	
		Original	Final
Revenue			
Storm water sales tax	\$ 6,196	\$ -	\$ 6,500
Storm water interest	73	-	91
	<hr/>	<hr/>	<hr/>
Total revenues collected	6,269	-	6,591
	<hr/>	<hr/>	<hr/>
Revenues collected over (under)			
Expenditures paid before transfers & other	6,269	-	6,591
	<hr/>	<hr/>	<hr/>
Transfers			
Transfer to general fund	(1,150)	-	-
	<hr/>	<hr/>	<hr/>
Revenues collected over (under)			
Expenditures paid	5,119	-	6,591
	<hr/>	<hr/>	<hr/>
Fund balance beginning	5,314	5,314	5,314
	<hr/>	<hr/>	<hr/>
Fund balance ending	\$ 10,433	\$ 5,314	\$ 11,905
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See notes to required supplemental information.

City of Greendale, Missouri
Notes To Required Supplemental Information
Budgetary Comparison Schedules
April 30, 2006

The City follows these procedures in establishing budgetary data:

- a) The proposed budget 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.