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Financial Report, 2005

City of Cool Valley

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

**CITY OF COOL VALLEY,
MISSOURI**

FINANCIAL REPORT
(Audited)

Year Ended September 30, 2005

CITY OF COOL VALLEY, MISSOURI
FINANCIAL REPORT

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Hochschild, Bloom & Company LLP

Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITORS' REPORT

December 1, 2005

Honorable Mayor and Board of Aldermen
CITY OF COOL VALLEY, MISSOURI

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF COOL VALLEY, MISSOURI** (the City) as of and for the year ended September 30, 2005, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2005, and the respective changes in financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in

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the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hochschild Bloom & Company L.P.

CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

As management of the City of Cool Valley, Missouri (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2005. We encourage readers to consider the information presented here in conjunction with the City's financial statements (attached).

Financial Highlights

- * The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$579,030.
- * The City's total net assets increased by \$47,258. This increase is due to the collection of taxes and the forgiveness of debt.
- * As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$438,092, a decrease of \$29,607 in comparison with the prior year.
- * At the end of the current fiscal year, the unreserved balance for the General Fund was \$192,833, or 21%, of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues. The governmental activities of the City include general government, public safety, and streets.

The government-wide financial statements can be found on pages 8 and 9 of this report.

**CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City maintains governmental funds and a fiduciary fund.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Capital Projects Fund, and Debt Service Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with budgeted appropriations and the means to finance them.

The basic governmental fund financial statements can be found on pages 10 through 13 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs.

The basic fiduciary fund financial statement can be found on page 14 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 15 through 26 of this report.

Required supplementary information. This Management's Discussion and Analysis and the General Fund budgetary comparison schedule (starting on page 28) represent financial information required by

**CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

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").

Other supplemental information. This part of the annual report (starting on page 33) includes optional financial information such as budgetary comparison schedules for other governmental funds and combining statements for nonmajor funds. This other supplemental financial information is provided to address certain specific needs of various users of the City's annual report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$579,030 at the close of the most recent fiscal year.

A condensed version of the Statement of Net Assets is as follows:

	September 30	
	2005	2004
ASSETS		
Cash and other current assets	\$593,388	664,518
Capital assets	<u>123,973</u>	<u>157,940</u>
Total Assets	<u>717,361</u>	<u>822,458</u>
LIABILITIES		
Current liabilities	109,574	154,263
Long-term liabilities	<u>28,757</u>	<u>136,423</u>
	<u>138,331</u>	<u>290,686</u>
NET ASSETS		
Invested in capital assets	100,425	109,414
Unrestricted	<u>478,605</u>	<u>422,358</u>
Total Net Assets	<u>\$579,030</u>	<u>531,772</u>

Governmental activities. Governmental activities increased the City's net assets by \$47,258 or 8.9%.

A condensed version of the Statement of Activities is as follows:

**CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

	For The Years Ended September 30	
	2005	2004
REVENUES		
Program revenues:		
Charges for services	\$354,378	335,373
Operating grants and contributions	58,374	68,054
General revenues	<u>564,626</u>	<u>544,211</u>
Total Revenues	<u>977,378</u>	<u>947,638</u>
EXPENSES		
Function/program expenses:		
Administration	198,888	189,119
Municipal court	47,999	55,473
Police	583,388	555,197
Public works	114,343	92,189
Interest on long-term debt	<u>4,239</u>	<u>18,045</u>
Total Expenses	<u>948,857</u>	<u>910,023</u>
EXCESS BEFORE SPECIAL ITEM	28,521	37,615
SPECIAL ITEM - FORGIVENESS OF DEBT	<u>18,737</u>	<u>-</u>
CHANGE IN NET ASSETS	47,258	37,615
NET ASSETS, OCTOBER 1	<u>531,772</u>	<u>494,157</u>
NET ASSETS, SEPTEMBER 30	<u>\$579,030</u>	<u>531,772</u>

Financial Analysis of the City's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$438,092, all of which is unreserved.

General Fund Budgetary Highlights

During the year the City approved one budget amendment increasing bond forfeiture revenue by \$36,000, increasing court revenue by \$5,000, and increasing public works salaries by \$37,800 for a net increase of \$3,200.

**CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2005**

Capital assets. The City's investment in capital assets for its governmental activities as of September 30, 2005 amounts to \$123,973. Capital assets are defined by the City as assets with an initial cost of more than \$500 and an estimated useful life in excess of one year. Capital assets are as follows:

	September 30	
	2005	2004
Land	\$ 23,971	23,971
Buildings and improvements	155,571	151,892
Furniture and equipment	149,200	158,084
Vehicles	<u>221,743</u>	<u>224,743</u>
Total	550,485	558,690
Less - Accumulated depreciation	<u>426,512</u>	<u>400,750</u>
Net Capital Assets	<u>\$123,973</u>	<u>157,940</u>

Additional information on the City's capital assets can be found in Note G found on page 25 of this report.

Long-term debt. At the end of the current fiscal year, the City had debt outstanding of \$28,757. During the year the debt was reduced by \$107,666, of this amount \$18,737 was forgiven. Debt is as follows:

	September 30	
	2005	2004
Tax increment notes payable	\$ -	82,445
Capital lease obligations	23,548	48,526
Compensated absences	<u>5,209</u>	<u>5,452</u>
Total	<u>\$28,757</u>	<u>136,423</u>

Additional information on the City's long-term debt can be found in Note F on pages 23 and 24 of this report.

Economic Factors and Next Year's Budget

Taxes, gross receipt taxes, and fines and forfeitures are the main sources of revenue for the City at 90% of total revenues. The police department requires the greatest usage of resources amounting to 54% of the total expenditures. These factors were considered in preparing the City's 2006 budget.

Requests for Information

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 Eleanor Meyer, City Clerk, at 314-521-3500.

CITY OF COOL VALLEY, MISSOURI
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 497,792
Receivables (net of allowances for uncollectibles):	
Utility and sales taxes	39,725
Court fines	43,537
Property taxes	2,351
Prepaid items	9,983
Capital assets:	
Land	23,971
Other capital assets, net of accumulated depreciation	100,002
Total Assets	<u>717,361</u>
LIABILITIES	
Accounts payable	7,035
Accrued liabilities	8,539
Unearned revenue	94,000
Noncurrent liabilities:	
Due within one year	26,892
Due in more than one year	1,865
Total Liabilities	<u>138,331</u>
NET ASSETS	
Invested in capital assets, net of related debt	100,425
Unrestricted	478,605
Total Net Assets	<u>\$ 579,030</u>

See notes to financial statements

CITY OF COOL VALLEY, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Program Revenues		Net Revenues (Expenses) And Changes In Net Assets
Expenses	Charges For Services	Operating Grants And Contributions	Governmental Activities
FUNCTIONS/PROGRAMS			
Governmental activities:			
Administration	\$ 198,888	43,443	-
Municipal court	47,999	-	-
Police	583,388	290,046	-
Public works	114,343	20,889	58,374
Interest on long-term debt	4,239	-	-
Total Governmental Activities	\$ 948,857	354,378	58,374
General revenues:			
Taxes:			
Property			91,657
Sales			245,763
Gross receipts			171,647
Other			4,960
Licenses and permits			7,009
Miscellaneous			33,407
Investment income			10,183
Special item - forgiveness of debt			18,737
Total General Revenues And Special Item			583,363
CHANGE IN NET ASSETS			47,258
NET ASSETS, OCTOBER 1			531,772
NET ASSETS, SEPTEMBER 30			\$ 579,030

See notes to financial statements

CITY OF COOL VALLEY, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS

SEPTEMBER 30, 2005

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 267,180	212,872	17,740	497,792
Receivables (net of allowances for uncollectibles):				
Utility and sales taxes	30,671	9,054	-	39,725
Court fines	43,537	-	-	43,537
Property taxes	2,351	-	-	2,351
Prepaid items	9,983	-	-	9,983
Due from other funds	4,390	-	-	4,390
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 358,112</u>	<u>221,926</u>	<u>17,740</u>	<u>597,778</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 7,035	-	-	7,035
Accrued liabilities	8,539	-	-	8,539
Due to other funds	-	-	4,390	4,390
Deferred revenue:				
Court fines	43,537	-	-	43,537
Property taxes	2,185	-	-	2,185
Sign lease	94,000	-	-	94,000
Total Liabilities	<u>155,296</u>	<u>-</u>	<u>4,390</u>	<u>159,686</u>
 Fund Balances				
Reserved for prepaid items	9,983	-	-	9,983
Unreserved:				
General Fund	192,833	-	-	192,833
Capital Projects Fund	-	221,926	-	221,926
Special Revenue Fund	-	-	13,350	13,350
Total Fund Balances	<u>202,816</u>	<u>221,926</u>	<u>13,350</u>	<u>438,092</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities And Fund Balances	<u>\$ 358,112</u>	<u>221,926</u>	<u>17,740</u>	<u>597,778</u>

See notes to financial statements

CITY OF COOL VALLEY, MISSOURI
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2005

Total Fund Balances - Governmental Funds	\$ 438,092
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$550,485 and the accumulated depreciation is \$426,512.	123,973
Property taxes and municipal court receivables are assessed by the City, but are not collected as of September 30, 2005 and deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	45,722
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued compensated absences	(5,209)
Capital leases payable outstanding	<u>(23,548)</u>
Net Assets - Governmental Activities	<u>\$ 579,030</u>

CITY OF COOL VALLEY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 250,111	80,051	70,324	400,486
Gross receipts taxes	171,647	-	-	171,647
Licenses, permits, and assessments	50,452	-	20,889	71,341
Fines and forfeitures	291,545	-	-	291,545
Miscellaneous	33,407	-	-	33,407
Investment income	10,088	-	95	10,183
Total Revenues	<u>807,250</u>	<u>80,051</u>	<u>91,308</u>	<u>978,609</u>
EXPENDITURES				
Current:				
Administration	196,240	-	-	196,240
Municipal court	46,180	-	-	46,180
Police department	547,343	-	-	547,343
Public works department	101,939	-	7,633	109,572
Capital outlay	7,880	3,679	-	11,559
Debt service:				
Capital lease payments	27,019	-	-	27,019
Principal retirement	-	-	63,708	63,708
Interest and fiscal charges	-	-	6,595	6,595
Total Expenditures	<u>926,601</u>	<u>3,679</u>	<u>77,936</u>	<u>1,008,216</u>
REVENUES OVER (UNDER)				
EXPENDITURES	(119,351)	76,372	13,372	(29,607)
OTHER FINANCING SOURCES (USES)				
Transfers	2,433	-	(2,433)	-
NET CHANGE IN FUND BALANCES				
	(116,918)	76,372	10,939	(29,607)
FUND BALANCES, OCTOBER 1				
	<u>319,734</u>	<u>145,554</u>	<u>2,411</u>	<u>467,699</u>
FUND BALANCES, SEPTEMBER 30				
	<u>\$ 202,816</u>	<u>221,926</u>	<u>13,350</u>	<u>438,092</u>

See notes to financial statements

CITY OF COOL VALLEY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2005

Net Change In Fund Balances - Governmental Funds \$ (29,607)

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$40,485) exceeded capital outlays over the capitalization threshold (\$7,105) in the current period. (33,380)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and disposals) to decrease net assets. (587)

Repayment of debt principal is recorded as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The following adjustments have been made for debt service:

Principal payments on notes	63,708
Forgiveness of debt	18,737
Principal payments on leases	24,978
Accrued interest	4,397

Revenues in the statement of activities that do not provide current financial resources are not reported in the fund financial statements. (1,231)

In governmental funds, personnel costs are measured by the amount of financial resources used, which does not include the increase in accrued compensated absences. These expenses are recorded in the statement of activities. 243

Change In Net Assets Of Governmental Activities \$ 47,258

CITY OF COOL VALLEY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUND
SEPTEMBER 30, 2005

ASSETS

Cash \$ 13,537

LIABILITIES

Due to others - municipal court bonds 13,537

NET ASSETS

\$ -

See notes to financial statements

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF COOL VALLEY, MISSOURI** (the City) operates under a Mayor and Board of Aldermen form of government and provides various services including public safety, recreation, 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

The City defines its financial reporting entity in accordance with the provisions of Governmental Accounting Standards Board Statement No. 14 (GASB 14), *The Financial Reporting Entity*. GASB 14 requirements for inclusion of component units are primarily based upon whether the City's governing body has any significant amount of financial accountability for potential component units (PCU). The City is financially accountable if it appoints a voting majority of a PCU's governing body, and is able to impose its will on that PCU or there is a potential for the PCU to provide specific financial benefits to or impose specific financial burdens on the City. The City has no component units.

2. Government-wide and Fund Financial Statements

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

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

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

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

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

General Fund -- The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund -- The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or improvements of major capital facilities, operating equipment, and infrastructure. The City's Capital Projects Fund consists of the half-cent sales tax for capital improvements which became effective on October 1, 2002.

Fiduciary Fund Type

Agency Fund -- The Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The City's Agency Fund consists of the assets of the Bail Bond Account.

In reporting the financial activity of its government-wide financial statements, the City applies Governmental Accounting Standards Board (GASB) pronouncements as well as

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

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

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

4. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in October 1 of each year based on the assessed value as of the prior January 1 for all taxable real and personal property located within the City. Payment is due upon receipt of billing and becomes delinquent after December 31. Property taxes are billed and collected by St. Louis County and remitted by the County to the City. The City's tax rates for 2005 were as follows:

Residential	.161
Commercial	.165
Personal property	.165
Agricultural and horticultural	.165

The total assessed valuation for property located in the City, including a tax increment finance district assessment of \$632,200 over the initial equalized value, is as follows:

	<u>January 1</u> <u>2004</u>
Real estate	\$ 9,905,970
Personal property	<u>3,580,322</u>
	<u>\$13,486,292</u>

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to allowance for doubtful accounts based on its assessment of the current status of accounts.

6. Compensated Absences

The City provides compensation to employees for earned but unused vacation leave and compensatory time. Vacation leave is granted to employees based on years of continuous service as of the anniversary date of employment. Unused vacation leave lapses at the calendar year-end. Compensatory time may be accumulated. Unused compensatory time is payable upon termination of employment. The City records the liability for payment of compensated absences to City employees as earned. Sick leave is not vested, therefore, no liability has been recorded accordingly. All compensated absences are accrued when incurred in the government-wide financial statements.

7. Investments

Statutes authorize the City to invest in obligations of the U.S. Treasury agencies and instrumentalities, obligations of the State of Missouri, and repurchase agreements. Investments in the governmental fund types are stated at cost or amortized cost which approximates fair value.

8. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), if any, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

The City has elected not to record the historical cost of infrastructure placed in service prior to October 1, 2003. There were no infrastructure expenditures in the current year.

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

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets (Continued)

Assets	Years
Buildings and improvements	7 - 50
Furniture and equipment	5 - 7
Vehicles	3 - 7

9. Interfund Transactions

All interfund balances are due to timing differences. All interfund balances are expected to be repaid during the fiscal year ending September 30, 2006.

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

10. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

11. Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles 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.

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

1. Deposits (Continued)

As of September 30, 2005, 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 September 30, 2005, the City had the following investments:

<u>Investments</u>	<u>Fair Market Value</u>	<u>Maturity</u>		<u>Credit Risk</u>
		<u>Less Than 1 Year</u>	<u>1 - 5 Years</u>	
Governmental Funds				
Certificates of deposit	\$353,566	<u>250,000</u>	<u>103,566</u>	N/A
Cash	<u>144,226</u>			
 Total Cash And Investments	 <u>\$497,792</u>			

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a written investment policy covering credit risk.

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 does not have a written investment policy covering interest rate risk.

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.

NOTE C - PENSION PLAN

1. Plan Description

The City contributes to the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - PENSION PLAN (Continued)

1. Plan Description (Continued)

by statute, Section RSMo 70.600 - 70.755. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401a and it is tax exempt.

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

2. Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 8% (general) and 3.5% (police) of annual covered payroll. The contribution requirements of the Plan members are determined by the City. The contribution provisions of the City are established by State Statute.

3. Annual Pension Cost

For 2005, the City's annual pension cost of \$20,421 was equal to the required and actual contributions. The required contribution was determined as part of the February 28/29, 2003 and/or 2004 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; b) projected salary increases of 4% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 4.2% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on the 1983 Group Annuity Mortality table; and e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2005 was 15 years.

4. Trend Information

Three-year trend information follows:

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - PENSION PLAN (Continued)

4. Trend Information (Continued)

<u>For The Plan Years Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2005	\$20,421	100%	-
2004	22,896	100	-
2003	15,816	100	-

Schedule of Funding Progress

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Excess Actuarial Value Of Assets</u>
2005	\$848,153	\$717,990	\$130,163
2004	779,179	641,100	138,079
2003	704,532	550,683	153,849

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Excess Actuarial Value Of Assets As A Percentage Of Covered Payroll</u>
2005	118%	\$420,261	30.97%
2004	122	476,206	29.00
2003	128	405,812	37.91

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

NOTE D - OPERATING LEASES

The City is a lessor of property on Anita Drive, used for a mobile phone tower. The lease has six years remaining.

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - OPERATING LEASES (Continued)

The City also has leased property for an outdoor advertising sign. Lessee pays the City \$24,000 a year for each five-year period in advance. The current lease will expire on June 30, 2009.

The following is a schedule by years of minimum future rentals on noncancelable operating leases:

For The Years Ended September 30	Mobile Phone Tower	Outdoor Advertising Sign	Total
2006	\$ 4,392	24,000	28,392
2007	4,792	24,000	28,792
2008	4,792	24,000	28,792
2009	4,792	22,000	26,792
2010	4,792	-	4,792
2011	<u>4,391</u>	<u>-</u>	<u>4,391</u>
	<u>\$27,951</u>	<u>94,000</u>	<u>121,951</u>

NOTE E - CAPITAL LEASES

The City has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes (titles transfer at end of the lease terms under a bargain purchase option) and, therefore, are recorded at the present value of the future minimum lease payments as of the date of their inception. The capitalized value at September 30, 2005 was \$62,082.

The following is a schedule of future minimum lease payments:

For The Years Ended September 30	Total
2006	\$22,472
2007	<u>1,873</u>
	24,345
Less - Amount representing interest	<u>797</u>
Present Value Of Minimum Lease Payments	<u>\$23,548</u>

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT

On March 13, 1990, the City passed Ordinance 726 designating a portion of the City a Redevelopment Project Area pursuant to the Missouri Real Property Tax Increment Allocation Redevelopment Act and making findings related thereto, adopting Tax Increment Allocation Financing (TIF district) and authorizing the Mayor to enter into contracts. The City also passed Ordinance 727 adopting a TIF district and issuance and delivery of a \$545,000 note.

The TIF district's purpose is to provide the tools with which an economically distressed area can slow deterioration and help foster redevelopment. Under a TIF district, local taxing bodies continue to receive revenues based on assessments made prior to the establishment of the TIF district. The "increment" is created by increase in tax revenues generated by new development occurring in the TIF district. Financial obligations are issued to finance the cost associated with various capital improvements and redevelopment projects. The obligations are then paid off annually in a Special Allocation Tax Increment Fund.

This note is payable solely from the net proceeds of the Special Allocation Fund. The note is a special, limited obligation of the City and is to be repaid solely from certain incremental payments in lieu of ad valorem property taxes derived from the project area.

On July 18, 1990, the City issued a tax increment anticipation note (not negotiable) in the amount of \$475,000 and an additional note of \$18,825 on August 27, 1991 for a total of \$493,825 with an interest rate of 8%.

Principal sum is payable in 13 annual installments of \$35,279 which began on March 14, 1992, and is payable on the same day of each year thereafter to and including March 14, 2005, followed by a 14th and final payment on March 14, 2005. Interest accrued from July 18, 1990 and is payable annually beginning March 14, 1992.

If on any annual payment date the net proceeds in the Special Allocation Fund are insufficient to pay scheduled principal and accrued interest, the deficiency shall be carried forward on the books of the City and shall be an amount due and owing on the note.

If on any annual payment date the net proceeds in the Special Allocation Fund are in excess of the amount required to pay the scheduled annual installment of principal plus accrued interest then due, all excess net proceeds shall be applied as follows:

- a. To satisfy all outstanding deficiencies under the note,
- b. to pay any of the redevelopment project cost as defined in Section 99.805(11) RSMo incurred by the City in connection with the plan for the area,
- c. to prepay the note, and then
- d. to pay the taxing districts in the area.

On maturity date, the City shall pay all net proceeds on deposit in the Special Allocation Fund, whereupon, whether or not paid in full, the note shall expire and the City shall have no further responsibility, liability, or obligation. In the current year, \$18,737 of this debt was forgiven upon maturity and reported as a special item in the government-wide financial statements.

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

The following is a schedule of changes in long-term debt:

	For The Year Ended September 30, 2005					Amounts Due Within One Year
	Balance September 30 2004	Additions	Payments	Forgiveness Of Debt	Balance September 30 2005	
	Tax increment notes payable	\$ 82,445	-	63,708	18,737	
Capital lease obligations	48,526	-	24,978	-	23,548	21,683
Compensated absences	<u>5,452</u>	<u>-</u>	<u>243</u>	<u>-</u>	<u>5,209</u>	<u>5,209</u>
Total	<u>\$136,423</u>	<u>-</u>	<u>88,929</u>	<u>18,737</u>	<u>28,757</u>	<u>26,892</u>

The capital lease obligations and compensated absences will be paid with General Fund revenues.

NOTE G - CAPITAL ASSETS

A summary of changes in capital assets - governmental activities is as follows:

	For The Year Ended September 30, 2005			
	Balance September 30 2004	Additions	Dispositions	Balance September 30 2005
	Governmental Activities			
Capital assets not being depreciated:				
Land	\$ <u>23,971</u>	<u>-</u>	<u>-</u>	<u>23,971</u>
Capital assets being depreciated:				
Buildings and improvements	151,892	3,679	-	155,571
Furniture and equipment	158,084	3,426	12,310	149,200
Vehicles	<u>224,743</u>	<u>-</u>	<u>3,000</u>	<u>221,743</u>
Total Capital Assets Being Depreciated	<u>534,719</u>	<u>7,105</u>	<u>15,310</u>	<u>526,514</u>
Less - Accumulated depreciation for:				
Buildings and improvements	100,409	3,337	-	103,746
Furniture and equipment	136,282	7,450	11,723	132,009
Vehicles	<u>164,059</u>	<u>29,698</u>	<u>3,000</u>	<u>190,757</u>
Total Accumulated Depreciation	<u>400,750</u>	<u>40,485</u>	<u>14,723</u>	<u>426,512</u>
Total Capital Assets Being Depreciated, Net	<u>133,969</u>	<u>(33,380)</u>	<u>587</u>	<u>100,002</u>
Governmental Activities Capital Assets, Net	<u>\$157,940</u>	<u>(33,380)</u>	<u>587</u>	<u>123,973</u>

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - CAPITAL ASSETS (Continued)

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

	For The Year Ended September 30 2005
Governmental activities:	
General government	\$ 3,271
Municipal court	247
Police	32,379
Public works	4,588
	<u>\$40,485</u>

NOTE H - RESTATEMENT OF NET ASSETS/FUND BALANCE

The previously stated net assets/fund balance have been adjusted as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>
Net assets/fund balance, September 30, 2004, as previously reported	\$521,789	309,751
Prepaid items	9,983	9,983
Net Assets/Fund Balance, September 30, 2004 As Restated	<u>\$531,772</u>	<u>319,734</u>

CITY OF COOL VALLEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF COOL VALLEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Cigarette	\$ 4,000	\$ 4,000	3,871	(129)
Gasoline	28,000	28,000	31,578	3,578
Motor vehicle	14,000	14,000	13,593	(407)
Railroad	800	800	1,089	289
Real estate and personal property	22,000	22,000	21,064	(936)
Road and bridge	12,600	12,600	13,204	604
Sales taxes	150,000	150,000	165,712	15,712
Total Taxes	<u>231,400</u>	<u>231,400</u>	<u>250,111</u>	<u>18,711</u>
Gross Receipts Taxes				
Cable	9,000	9,000	8,635	(365)
Utilities	148,000	148,000	163,012	15,012
Total Gross Receipts Taxes	<u>157,000</u>	<u>157,000</u>	<u>171,647</u>	<u>14,647</u>
Licenses and Permits				
Building permits	2,000	2,000	1,945	(55)
Liquor licenses	2,750	2,750	2,450	(300)
Merchant licenses	40,000	40,000	41,498	1,498
Occupancy permits	2,000	2,000	1,870	(130)
Other permits	1,500	1,500	1,429	(71)
Vending licenses	350	350	1,260	910
Total Licenses And Permits	<u>48,600</u>	<u>48,600</u>	<u>50,452</u>	<u>1,852</u>
Fines and Forfeitures				
Bond forfeitures	30,000	66,000	27,931	(38,069)
Court receipts	270,000	275,000	262,439	(12,561)
Police reports	1,300	1,300	1,175	(125)
Police training fee	3,500	3,500	-	(3,500)
Total Fines And Forfeitures	<u>304,800</u>	<u>345,800</u>	<u>291,545</u>	<u>(54,255)</u>
Miscellaneous				
Lease income	30,000	30,000	28,356	(1,644)
Other	9,200	9,200	5,051	(4,149)
Total Miscellaneous	<u>39,200</u>	<u>39,200</u>	<u>33,407</u>	<u>(5,793)</u>
Investment Income				
	<u>6,500</u>	<u>6,500</u>	<u>10,088</u>	<u>3,588</u>
Total Revenues	<u>787,500</u>	<u>828,500</u>	<u>807,250</u>	<u>(21,250)</u>

(Continued)

CITY OF COOL VALLEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Administration				
Salaries	53,250	53,250	57,235	3,985
Employee benefits	10,500	10,500	11,077	577
Payroll taxes	5,750	5,750	4,351	(1,399)
Audit and consulting	10,000	10,000	11,550	1,550
Conferences and dues	2,000	2,000	3,189	1,189
Election fees	500	500	593	93
Insurance	85,000	85,000	75,109	(9,891)
Legal and professional	14,000	14,000	11,350	(2,650)
Miscellaneous	1,850	1,850	1,742	(108)
Office	1,500	1,500	1,266	(234)
Payroll fees	1,500	1,500	1,754	254
Postage	2,500	2,500	2,733	233
Public relations and advertising	2,200	2,200	2,045	(155)
Repairs and maintenance	2,000	2,000	1,308	(692)
Utilities	11,000	11,000	10,938	(62)
Capital outlay - purchase of equipment	200	200	190	(10)
Total Administration	203,750	203,750	196,430	(7,320)
Municipal Court				
Salaries	45,000	45,000	32,804	(12,196)
Employee benefits	13,500	13,500	7,046	(6,454)
Payroll taxes	3,800	3,800	2,504	(1,296)
Conferences and dues	1,250	1,250	1,058	(192)
Miscellaneous	150	150	247	97
Office	1,600	1,600	1,461	(139)
Repairs and maintenance	450	450	1,060	610
Total Municipal Court	65,750	65,750	46,180	(19,570)
Police Department				
Salaries	363,647	363,647	415,512	51,865
Employee benefits	35,036	35,036	60,252	25,216
Payroll taxes	26,803	26,803	28,601	1,798
Conferences and dues	250	250	93	(157)
Contracts	16,000	16,000	15,666	(334)
Equipment repairs	700	700	714	14
Gasoline	9,000	9,000	13,607	4,607
Miscellaneous	1,150	1,150	116	(1,034)
Mobile phones	600	600	411	(189)
Office	2,500	2,500	1,716	(784)
Police reserves	1,500	1,500	631	(869)

(Continued)

CITY OF COOL VALLEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (Continued)				
Police Department (Continued)				
Police supplies	3,000	3,000	3,313	313
Public relations and advertising	200	200	170	(30)
Training and education	-	-	790	790
Vehicle lease and maintenance	32,024	32,024	32,770	746
Capital outlay - purchase of equipment	5,000	5,000	7,507	2,507
Total Police Department	<u>497,410</u>	<u>497,410</u>	<u>581,869</u>	<u>84,459</u>
Public Works Department				
Salaries	4,200	42,000	38,244	(3,756)
Employee benefits	9,800	9,800	11,065	1,265
Payroll taxes	4,600	4,600	2,895	(1,705)
Building/ground maintenance	12,900	12,900	9,610	(3,290)
Engineering	8,000	8,000	18,597	10,597
Equipment repairs	1,500	1,500	167	(1,333)
Gasoline	1,000	1,000	975	(25)
Miscellaneous	500	500	447	(53)
Mobile phones	100	100	117	17
Public relations and advertising	500	500	109	(391)
Road and street repairs	2,500	2,500	401	(2,099)
Snow removal	3,500	3,500	2,052	(1,448)
Street lights	18,000	18,000	16,862	(1,138)
Vehicle maintenance	1,000	1,000	398	(602)
Capital outlay - purchase of equipment	1,000	1,000	183	(817)
Total Public Works Department	<u>69,100</u>	<u>106,900</u>	<u>102,122</u>	<u>(4,778)</u>
Total Expenditures	<u>836,010</u>	<u>873,810</u>	<u>926,601</u>	<u>52,791</u>
REVENUES UNDER EXPENDITURES	(48,510)	(45,310)	(119,351)	(74,041)
OTHER FINANCING SOURCES				
Transfers in	-	-	2,433	2,433
NET CHANGE IN FUND BALANCE	<u>\$ (48,510)</u>	<u>(45,310)</u>	(116,918)	<u>(71,608)</u>
FUND BALANCE, OCTOBER 1			<u>319,734</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 202,816</u>	

CITY OF COOL VALLEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2005

Budgets and Budgetary Accounting

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

- a. The proposed budget for the governmental funds are 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. The City does not budget the Sewer Lateral Fund.
- 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. The Board of Aldermen authorizes budget transfers between departments and to alter the total expenditures of funds. All appropriations not spent or legally encumbered at year-end lapse.
- e. During the year the Board of Aldermen authorized supplemental appropriations to the budget.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF COOL VALLEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2005

	Debt Service Fund	Sewer Lateral Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ -	17,740	17,740
 LIABILITIES AND FUND BALANCES			
Liabilities			
Due to other funds	\$ -	4,390	4,390
 Fund Balances			
Unreserved - Special Revenue Fund	-	13,350	13,350
Total Liabilities And Fund Balances	\$ -	17,740	17,740

CITY OF COOL VALLEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	Debt Service Fund	Sewer Lateral Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 70,324	-	70,324
Assessments	-	20,889	20,889
Investment income	1	94	95
Total Revenues	<u>70,325</u>	<u>20,983</u>	<u>91,308</u>
EXPENDITURES			
Public works	-	7,633	7,633
Debt service:			
Principal retirement	63,708	-	63,708
Interest and fiscal charges	6,595	-	6,595
Total Expenditures	<u>70,303</u>	<u>7,633</u>	<u>77,936</u>
REVENUES OVER EXPENDITURES	22	13,350	13,372
OTHER FINANCING USES			
Transfers out	<u>(2,433)</u>	<u>-</u>	<u>(2,433)</u>
NET CHANGE IN FUND BALANCES	(2,411)	13,350	10,939
FUND BALANCES, OCTOBER 1	<u>2,411</u>	<u>-</u>	<u>2,411</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ -</u>	<u>13,350</u>	<u>13,350</u>

CITY OF COOL VALLEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 68,000	68,000	80,051	12,051
EXPENDITURES				
Capital outlay	-	12,000	3,679	(8,321)
NET CHANGE IN FUND BALANCE	<u>\$ 68,000</u>	<u>56,000</u>	76,372	<u>20,372</u>
FUND BALANCE, OCTOBER 1			<u>145,554</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 221,926</u>	

CITY OF COOL VALLEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2005

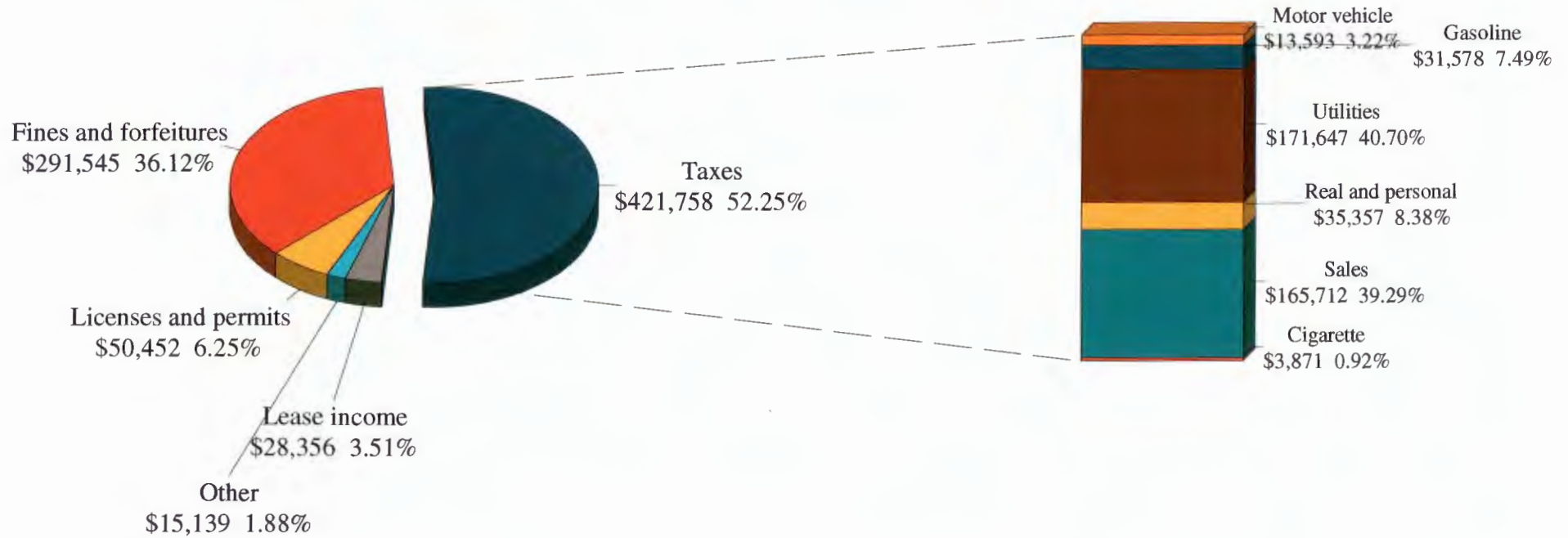
	Original And Final Budgeted Amounts	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 70,000	70,324	324
Investment income	-	1	1
Total Revenues	70,000	70,325	325
 EXPENDITURES			
Debt service:			
Principal retirement	63,500	63,708	208
Interest and fiscal charges	6,500	6,595	95
Total Expenditures	70,000	70,303	303
 REVENUES OVER EXPENDITURES	-	22	22
 OTHER FINANCING USES			
Transfers out	-	(2,433)	(2,433)
 NET CHANGE IN FUND BALANCE	\$ -	(2,411)	(2,411)
 FUND BALANCE, OCTOBER 1		2,411	
 FUND BALANCE, SEPTEMBER 30		\$ -	

CITY OF COOL VALLEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2005

	<u>Balance</u> <u>September 30</u> <u>2004</u>	<u>Net Change</u>	<u>Balance</u> <u>September 30</u> <u>2005</u>
COURT BOND DEPOSITS			
Assets			
Cash	\$ 19,258	(5,721)	13,537
Liabilities			
Due to others - municipal court bonds	\$ 19,258	(5,721)	13,537

CITY OF COOL VALLEY, MISSOURI

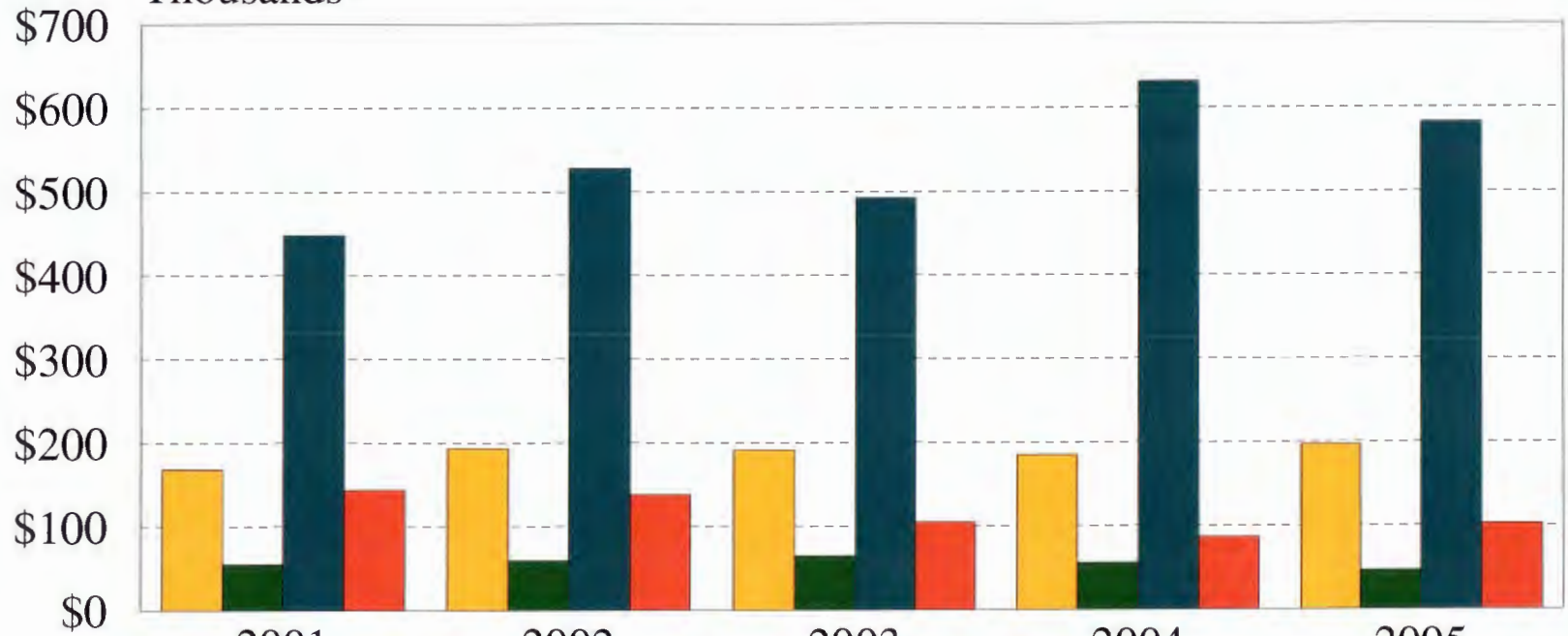
GENERAL FUND REVENUE FOR THE YEAR ENDED SEPTEMBER 30, 2005



CITY OF COOL VALLEY, MISSOURI

GENERAL FUND EXPENDITURES FOR THE YEARS ENDED SEPTEMBER 30,

Thousands



Administrative	\$168	\$193	\$191	\$185	\$196
Municipal court	\$55	\$59	\$65	\$55	\$46
Police	\$448	\$528	\$492	\$631	\$582
Public works	\$144	\$138	\$104	\$86	\$102

CITY OF COOL VALLEY, MISSOURI

GENERAL FUND REVENUES AND EXPENDITURES FOR THE YEARS ENDED SEPTEMBER 30,

