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Financial Report, 2006

City of Cool Valley

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09-096-0019



SUSAN MONTEE, CPA

Missouri State Auditor

March 14, 2007

Robert B. Offerman, CPA
Hochschild, Bloom & Company LLP
16100 Chesterfield Parkway West, Suite 125
Chesterfield, MO 63017-4829

RE: City of Cool Valley of St. Louis County

Fiscal Period: One Year Ended September 30, 2006

Dear Mr. Offerman:

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

Thank you for your cooperation in sending this information.

Sincerely,

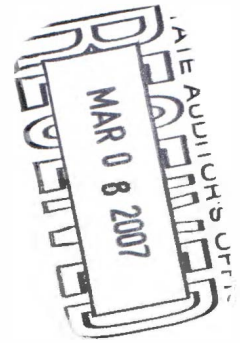
SUSAN MONTEE, CPA
STATE AUDITOR

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

Judy Buerky
Local Government Analyst



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



March 6, 2007

Ms. Susan Montee, CPA
Office of the State Auditor
State of Missouri
P.O. Box 869
Jefferson City, MO 65102

Dear Ms Montee:

Enclosed is a copy of the financial report for City of Cool Valley for the fiscal year October 1, 2006 to September 30, 2006. This financial report is being sent to you to comply with the state law requiring an Annual Financial Report be filed with the State Auditor's Office.

Sincerely yours,


Robert B. Offerman, CPA
Partner

RBO/smm

Enclosure

cc Eleanor Meyer, City Clerk

16100 Chesterfield Parkway West, Suite 125, Chesterfield, Missouri 63017-4829, 636-532-9525, Fax 636-532-9055

1000 Washington Square, P.O. Box 1457, Washington, Missouri 63090-8457, 636-239-4785, Fax 636-239-5448

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

**CITY OF COOL VALLEY,
MISSOURI**

FINANCIAL REPORT
(Audited)

Year Ended September 30, 2006

CITY OF COOL VALLEY, MISSOURI
FINANCIAL REPORT

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

INDEPENDENT AUDITORS' REPORT

November 15, 2006

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, 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 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2006, 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.

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

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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 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 LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

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, 2006. 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 \$602,991.
- * The City's total net assets increased by \$16,461. This increase is due to the collection of taxes and the contributed capital.
- * As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$348,673, a decrease of \$89,419 in comparison with the prior year.
- * At the end of the current fiscal year, the unreserved balance for the General Fund was \$113,913, or 11%, of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) 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 supplemental 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 9 and 10 of this report.

CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

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 funds balance sheet and the governmental funds 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 three governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, and Sewer Later Fund, all of which are considered to be major funds.

The City adopts an annual appropriated budget for its General Fund, Capital Projects Fund, and Sewer Lateral 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 funds financial statements can be found on pages 11 through 14 of this report.

Fiduciary fund. The fiduciary fund is used to account for resources held for the benefit of parties outside the City. The fiduciary fund is not reflected in the government-wide financial statements because the resources of this fund is not available to support the City's own programs.

The basic fiduciary fund financial statement can be found on page 15 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 governmental funds financial statements. The notes to financial statements can be found on pages 16 through 26 of this report.

Required supplemental information. This MD&A and the General Fund budgetary comparison schedule (starting on page 28) represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide

**CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

statements, governmental funds 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. 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 \$602,991 at the close of the most recent fiscal year.

A condensed version of the statement of net assets is as follows:

	<u>September 30</u>		<u>2006 Change</u>	
	<u>2006</u>	<u>2005</u>	<u>Amount</u>	<u>Percent</u>
ASSETS				
Cash and other current assets	\$477,640	593,388	(115,748)	(19.5%)
Capital assets	<u>243,913</u>	<u>131,473</u>	<u>112,440</u>	85.5
Total Assets	<u>721,553</u>	<u>724,861</u>	<u>(3,308)</u>	(0.5)
LIABILITIES				
Current liabilities	84,776	109,574	(24,798)	(22.6)
Long-term liabilities	<u>33,786</u>	<u>28,757</u>	<u>5,029</u>	17.5
Total Liabilities	<u>118,562</u>	<u>138,331</u>	<u>(19,769)</u>	(14.3)
NET ASSETS				
Invested in capital assets, net of related debt	217,456	107,925	109,531	101.5
Restricted	196,215	221,926	(25,711)	(11.6)
Unrestricted	<u>189,320</u>	<u>256,679</u>	<u>(67,359)</u>	(26.2)
Total Net Assets	<u>\$602,991</u>	<u>586,530</u>	<u>16,461</u>	2.8%

Governmental activities. Governmental activities increased the City's net assets by \$16,461 or 2.8%.

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, 2006

	For The Years		2006 Change	
	Ended September 30		Amount	Percent
	2006	2005		
REVENUES				
Program revenues:				
Charges for services	\$312,510	354,378	(41,868)	(11.8%)
Grants and contributions	151,069	58,374	92,695	158.80
General revenues	<u>512,276</u>	<u>564,626</u>	<u>(52,350)</u>	(9.3)
Total Revenues	<u>975,855</u>	<u>977,378</u>	<u>(1,523)</u>	(0.16)
EXPENSES				
Function/program expenses:				
Administration	199,765	198,888	877	0.4
Municipal court	75,994	47,999	27,995	58.3
Police	573,741	583,388	(9,647)	(1.7)
Public works	108,102	114,343	(6,241)	(5.5)
Interest on long-term debt	<u>1,792</u>	<u>4,239</u>	<u>(2,447)</u>	(57.7)
Total Expenses	<u>959,394</u>	<u>948,857</u>	<u>10,537</u>	1.1
EXCESS BEFORE SPECIAL ITEM	16,461	28,521	(12,060)	(42.3)
SPECIAL ITEM - FORGIVENESS OF DEBT	<u>-</u>	<u>18,737</u>	<u>(18,737)</u>	(100.0)
CHANGE IN NET ASSETS	16,461	47,258	(30,797)	(65.2)
NET ASSETS, OCTOBER 1	<u>586,530</u>	<u>539,272</u>	<u>47,258</u>	8.8
NET ASSETS, SEPTEMBER 30	<u>\$602,991</u>	<u>586,530</u>	<u>16,461</u>	2.8%

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 \$348,673.

CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year the City approved two budget amendments decreasing tax revenue by \$16,300, increasing gross receipts tax revenue by \$14,000, decreasing licenses and permits revenue by \$1,100, decreasing fines and forfeitures revenue by \$44,500, increasing various other revenues by \$43,385, decreasing administration expenditures by \$2,150, increasing municipal court expenditures by \$7,400, increasing police department expenditures by \$53,400, increasing public works department expenditures by \$43,750, and increasing transfers in by \$143,963, for a net increase of \$37,048.

Capital assets. The City's investment in capital assets for its governmental activities as of September 30, 2006 amounts to \$243,913. 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	
	2006	2005
Land	\$ 39,871	31,471
Buildings and improvements	229,183	155,571
Furniture and equipment	150,264	149,200
Infrastructure	32,722	-
Vehicles	<u>232,450</u>	<u>221,743</u>
Total	684,490	557,985
Less - Accumulated depreciation	<u>440,577</u>	<u>426,512</u>
Net Capital Assets	<u>\$243,913</u>	<u>131,473</u>

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

Long-term debt. At the end of the current fiscal year, the City had debt outstanding of \$33,786. During the year the debt was increased by \$5,029. Debt is as follows:

	September 30	
	2006	2005
Capital lease obligations	\$26,457	23,548
Compensated absences	<u>7,329</u>	<u>5,209</u>
Total	<u>\$33,786</u>	<u>28,757</u>

Additional information on the City's long-term debt can be found in Note F on page 25 of this report.

**CITY OF COOL VALLEY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2006**

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 81.6% of total revenues. The police department requires the greatest usage of resources amounting to 50.5% of the total expenditures. These factors were considered in preparing the City's 2007 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, 2006**

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 336,161
Receivables (net of allowances for uncollectibles):	
Utility and sales taxes	42,476
Court fines	42,374
Property taxes	2,240
Grant	41,300
Prepaid items	13,089
Capital assets:	
Land	39,871
Other capital assets, net of accumulated depreciation	204,042
Total Assets	<u>721,553</u>
LIABILITIES	
Accounts payable	4,812
Accrued liabilities	9,964
Unearned revenue	70,000
Noncurrent liabilities:	
Due within one year	18,927
Due in more than one year	14,859
Total Liabilities	<u>118,562</u>
NET ASSETS	
Invested in capital assets, net of related debt	217,456
Restricted for capital improvements	196,215
Unrestricted	189,320
Total Net Assets	<u>\$ 602,991</u>

CITY OF COOL VALLEY, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	Program Revenues			Net Revenues (Expenses) And Changes In Net Assets
	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
FUNCTIONS/PROGRAMS	Expenses			
Governmental activities:				
Administration	\$ 199,765	43,868	-	42,000
Municipal court	75,994	-	-	(75,994)
Police	573,741	246,367	-	8,884
Public works	108,102	22,275	58,885	41,300
Interest on long-term debt	1,792	-	-	(1,792)
Total Governmental Activities	\$ 959,394	312,510	58,885	92,184
General revenues:				
Taxes:				
Property				21,866
Sales				254,069
Gross receipts				175,372
Other				4,729
Licenses and permits				7,632
Miscellaneous				34,988
Investment income				13,620
Total General Revenues				512,276
CHANGE IN NET ASSETS				16,461
NET ASSETS, OCTOBER 1				586,530
NET ASSETS, SEPTEMBER 30				\$ 602,991

CITY OF COOL VALLEY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2006

	General Fund	Capital Projects Fund	Sewer Lateral Fund	Total Governmental Funds
ASSETS				
Cash and investments	\$ 141,815	186,776	7,570	336,161
Receivables (net of allowances for uncollectibles):				
Utility and sales taxes	33,037	9,439	-	42,476
Court fines	42,374	-	-	42,374
Property taxes	2,240	-	-	2,240
Grant	41,300	-	-	41,300
Prepaid items	13,089	-	-	13,089
Due from other funds	-	-	17,886	17,886
	<u>\$ 273,855</u>	<u>196,215</u>	<u>25,456</u>	<u>495,526</u>
Total Assets	<u>\$ 273,855</u>	<u>196,215</u>	<u>25,456</u>	<u>495,526</u>
 LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,812	-	-	4,812
Accrued liabilities	9,964	-	-	9,964
Due to other funds	17,886	-	-	17,886
Deferred revenue:				
Court fines	42,374	-	-	42,374
Property taxes	1,817	-	-	1,817
Sign lease	70,000	-	-	70,000
Total Liabilities	<u>146,853</u>	<u>-</u>	<u>-</u>	<u>146,853</u>
 Fund Balances				
Reserved for prepaid items	13,089	-	-	13,089
Unreserved:				
General Fund	113,913	-	-	113,913
Capital Projects Fund	-	196,215	-	196,215
Special Revenue Fund	-	-	25,456	25,456
Total Fund Balances	<u>127,002</u>	<u>196,215</u>	<u>25,456</u>	<u>348,673</u>
Total Liabilities And Fund Balances	<u>\$ 273,855</u>	<u>196,215</u>	<u>25,456</u>	<u>495,526</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, 2006

Total Fund Balances - Governmental Funds	\$ 348,673
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 \$684,490 and the accumulated depreciation is \$440,577.	243,913
Property taxes and municipal court receivables are assessed by the City, but are not collected as of September 30, 2006 and deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide financial statements.	44,191
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	(7,329)
Capital leases payable outstanding	<u>(26,457)</u>
Net Assets - Governmental Activities	<u>\$ 602,991</u>

CITY OF COOL VALLEY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Sewer Lateral Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes	\$ 254,289	85,628	-	339,917
Gross receipts taxes	175,372	-	-	175,372
Licenses, permits, and assessments	51,500	-	22,275	73,775
Fines and forfeitures	247,530	-	-	247,530
Miscellaneous	85,172	-	-	85,172
Investment income	13,089	-	531	13,620
Total Revenues	<u>826,952</u>	<u>85,628</u>	<u>22,806</u>	<u>935,386</u>
EXPENDITURES				
Current:				
Administration	194,138	-	-	194,138
Municipal court	74,964	-	-	74,964
Police department	533,019	-	-	533,019
Public works department	163,576	-	10,700	174,276
Capital outlay	49,526	-	-	49,526
Debt service:				
Capital lease payments	28,878	-	-	28,878
Total Expenditures	<u>1,044,101</u>	<u>-</u>	<u>10,700</u>	<u>1,054,801</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(217,149)</u>	<u>85,628</u>	<u>12,106</u>	<u>(119,415)</u>
OTHER FINANCING SOURCES				
(USES)				
Transfers in	111,339	-	-	111,339
Transfers out	-	(111,339)	-	(111,339)
Issuance of capital lease	29,996	-	-	29,996
Total Other Financing Sources (Uses)	<u>141,335</u>	<u>(111,339)</u>	<u>-</u>	<u>29,996</u>
NET CHANGE IN FUND BALANCES	(75,814)	(25,711)	12,106	(89,419)
FUND BALANCES, OCTOBER 1	<u>202,816</u>	<u>221,926</u>	<u>13,350</u>	<u>438,092</u>
FUND BALANCES, SEPTEMBER 30	<u>\$ 127,002</u>	<u>196,215</u>	<u>25,456</u>	<u>348,673</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, 2006

Net Change In Fund Balances - Governmental Funds \$ (89,419)

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 capitalization threshold (\$112,870) exceeded capital outlays over the depreciation (\$42,430) in the current period. 70,440

A capital contribution is recorded as a program revenue in the statement of activities but is not recorded in the governmental funds - City Hall acoustical work. 42,000

Lease proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the liability in the statement of net assets.

Debt issued during the current year:
 Capital leases (29,996)

Repayments during the current year:
 Principal payments on leases 27,087

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements - deferred revenue. (1,531)

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 - compensated absences. (2,120)

Change In Net Assets Of Governmental Activities \$ 16,461

See notes to financial statements

CITY OF COOL VALLEY, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS - AGENCY FUND
SEPTEMBER 30, 2006

ASSETS

Cash \$ 14,929

LIABILITIES

Due to others - municipal court bonds 14,929

NET ASSETS

\$ -

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.

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 governmental funds 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 liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are rec-

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

ognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds 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.

Sewer Lateral Fund -- The Sewer Lateral Fund is used to account for special assessments to be utilized for maintenance of lateral sewer lines within the City.

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.

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)

In reporting the financial activity of its government-wide financial statements, the City applies Governmental Accounting Standards Board (GASB) pronouncements as well as 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 2006 were as follows:

Residential	.161
Commercial	.147
Personal property	.165
Agricultural and horticultural	.165

The total assessed valuation for property located in the City is as follows:

	January 1
	<u>2005</u>
Real estate	\$11,084,501
Personal property	<u>3,797,557</u>
	<u>\$14,882,058</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. No significant uncollectible receivable has been estimated, so allowance for uncollectible has been recorded.

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.

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
Infrastructure	5 - 30
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, 2007.

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, 2006, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of September 30, 2006, the City had the following investments:

<u>Investments</u>	<u>Fair Market Value</u>	<u>Maturity Less Than One Year</u>	<u>Credit Risk</u>
Governmental Funds			
Certificates of deposit	\$282,020	<u>282,020</u>	N/A
Cash	<u>54,141</u>		
Total Cash And Investments	<u>\$336,161</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 8.6% (general) and 4.5% (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 2006, the City's annual pension cost of \$27,649 was equal to the required and actual contributions. The required contribution was determined as part of the February 28/29, 2004 and/or 2005 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 6% 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, 2006 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)

For The Plan Years Ended June 30	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
2006	\$27,649	100%	-
2005	20,421	100	-
2004	22,896	100	-

Schedule of Funding Progress

For The Actuarial Valuation Years Ended February 28/29	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability	Excess Actuarial Value Of Assets
2006	\$923,768	\$793,590	\$130,178
2005	848,153	717,990	130,163
2004	779,179	641,100	138,079

For The Actuarial Valuation Years Ended February 28/29	Funded Ratio	Annual Covered Payroll	Excess Actuarial Value Of Assets As A Percentage Of Covered Payroll
2006	116%	\$510,817	25.48%
2005	118	420,261	30.97
2004	122	476,206	29.00

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, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS' office in Jefferson City.

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - OPERATING LEASES

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

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:

<u>For The Years Ended September 30</u>	<u>Mobile Phone Tower</u>	<u>Outdoor Advertising Sign</u>	<u>Total</u>
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>\$23,559</u>	<u>70,000</u>	<u>93,559</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, 2006 was \$92,078, less accumulated depreciation of \$65,299.

The following is a schedule of future minimum lease payments:

<u>For The Years Ended September 30</u>	<u>Total</u>
2007	\$12,856
2008	10,982
2009	<u>4,576</u>
	28,414
Less - Amount representing interest	<u>1,957</u>
Present Value Of Minimum Lease Payments	<u>\$26,457</u>

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT

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

	<u>For The Year Ended September 30, 2006</u>			Amounts Due Within One Year	
	Balance	Additions	Payments		Balance
	September 30 2005				September 30 2006
Capital lease obligations	\$23,548	29,996	27,087	26,457	11,598
Compensated absences	<u>5,209</u>	<u>7,329</u>	<u>5,209</u>	<u>7,329</u>	<u>7,329</u>
Total	<u>\$28,757</u>	<u>37,325</u>	<u>32,296</u>	<u>33,786</u>	<u>18,927</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:

	<u>For The Year Ended September 30, 2006</u>			
	Balance	Additions	Dispositions	Balance
	September 30 2005			September 30 2006
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 31,471	<u>8,400</u>	<u>-</u>	<u>39,871</u>
Capital assets being depreciated:				
Buildings and improvements	155,571	73,612	-	229,183
Furniture and equipment	149,200	10,140	9,076	150,264
Infrastructure	-	32,722	-	32,722
Vehicles	<u>221,743</u>	<u>29,996</u>	<u>19,289</u>	<u>232,450</u>
Total Capital Assets Being Depreciated	<u>526,514</u>	<u>146,470</u>	<u>28,365</u>	<u>644,619</u>
Less - Accumulated depreciation for:				
Buildings and improvements	103,746	4,524	-	108,270
Furniture and equipment	132,009	5,671	9,076	128,604
Infrastructure	-	1,454	-	1,454
Vehicles	<u>190,757</u>	<u>30,781</u>	<u>19,289</u>	<u>202,249</u>
Total Accumulated Depreciation	<u>426,512</u>	<u>42,430</u>	<u>28,365</u>	<u>440,577</u>
Total Capital Assets Being Depreciated, Net	<u>100,002</u>	<u>104,040</u>	<u>-</u>	<u>204,042</u>
Governmental Activities Capital Assets, Net	<u>\$131,473</u>	<u>112,440</u>	<u>-</u>	<u>243,913</u>

CITY OF COOL VALLEY, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - CAPITAL ASSETS (Continued)

Beginning capital assets were adjusted by \$7,500 due to land additions.

Buildings and improvements additions include \$42,000 of acoustical improvements contributed by Lambert St. Louis International Airport.

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

	For The Year Ended September 30 <u>2006</u>
Governmental activities:	
General government	\$ 4,349
Municipal court	111
Police	32,131
Public works	<u>5,839</u>
	<u>\$42,430</u>

NOTE H - RESTATEMENT OF NET ASSETS

The previously stated net assets have been adjusted as follows:

	<u>Governmental Activities</u>
Net assets, September 30, 2005, as previously reported	\$579,030
Capital assets - contributed land	<u>7,500</u>
Net Assets, September 30, 2005, As Restated	<u>\$586,530</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, 2006

	<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	3,725	(275)
Gasoline	28,000	30,800	30,620	(180)
Motor vehicle	14,000	14,000	13,832	(168)
Railroad	1,300	1,300	1,004	(296)
Real estate and personal property	43,000	22,000	22,234	234
Road and bridge	12,600	14,500	14,433	(67)
Sales taxes	163,000	163,000	168,441	5,441
Total Taxes	<u>265,900</u>	<u>249,600</u>	<u>254,289</u>	<u>4,689</u>
Gross Receipts Taxes				
Cable	10,000	8,000	8,417	417
Utilities	152,000	168,000	166,955	(1,045)
Total Gross Receipts Taxes	<u>162,000</u>	<u>176,000</u>	<u>175,372</u>	<u>(628)</u>
Licenses and Permits				
Building permits	3,000	1,000	825	(175)
Liquor licenses	2,500	3,000	2,783	(217)
Merchant licenses	41,000	42,500	43,043	543
Occupancy permits	3,000	2,500	2,180	(320)
Other permits	2,000	1,400	1,555	155
Vending licenses	1,300	1,300	1,114	(186)
Total Licenses And Permits	<u>52,800</u>	<u>51,700</u>	<u>51,500</u>	<u>(200)</u>
Fines and Forfeitures				
Bond forfeitures	28,000	16,500	17,763	1,263
Court receipts	265,000	232,000	224,633	(7,367)
Police reports	1,300	1,300	1,800	500
Police training fee	3,500	3,500	3,334	(166)
Total Fines And Forfeitures	<u>297,800</u>	<u>253,300</u>	<u>247,530</u>	<u>(5,770)</u>
Miscellaneous				
Grant income	-	46,385	50,184	3,799
Lease income	30,000	24,000	28,792	4,792
Other	10,200	10,000	6,196	(3,804)
Total Miscellaneous	<u>40,200</u>	<u>80,385</u>	<u>85,172</u>	<u>4,787</u>
Investment Income				
	6,800	10,000	13,089	3,089
Total Revenues	<u>825,500</u>	<u>820,985</u>	<u>826,952</u>	<u>5,967</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, 2006

EXPENDITURES	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
				Budget
Administration				
Salaries	58,250	57,800	58,957	1,157
Employee benefits	11,000	11,000	11,305	305
Payroll taxes	4,500	4,500	4,510	10
Audit and consulting	14,000	11,100	10,680	(420)
Codification	-	-	3,391	3,391
Conferences and dues	3,000	3,000	2,354	(646)
Insurance	80,000	80,000	70,977	(9,023)
Legal and professional	12,000	12,000	10,806	(1,194)
Miscellaneous	1,700	2,400	2,600	200
Office	1,300	2,000	1,818	(182)
Payroll fees	1,800	1,800	1,676	(124)
Postage	2,500	1,800	1,489	(311)
Public relations and advertising	1,400	1,100	1,231	131
Repairs and maintenance	1,400	1,400	1,282	(118)
Utilities	10,900	11,400	11,062	(338)
Capital outlay - purchase of equipment	200	500	531	31
Total Administration	203,950	201,800	194,669	(7,131)
Municipal Court				
Salaries	55,000	55,000	54,394	(606)
Employee benefits	8,000	14,000	13,380	(620)
Payroll taxes	3,300	4,200	4,124	(76)
Conferences and dues	150	150	80	(70)
Miscellaneous	350	250	609	359
Office	750	1,350	1,283	(67)
Repairs and maintenance	1,000	1,000	1,094	94
Capital outlay - purchase of equipment	1,700	1,700	1,672	(28)
Total Municipal Court	70,250	77,650	76,636	(1,014)
Police Department				
Salaries	370,000	388,000	401,370	13,370
Employee benefits	46,000	60,000	57,515	(2,485)
Payroll taxes	28,500	30,000	28,156	(1,844)
Conferences and dues	200	300	260	(40)
Contracts	16,000	15,200	14,553	(647)
Equipment repairs	650	350	332	(18)
Gasoline	13,000	16,500	16,744	244
Miscellaneous	1,000	200	847	647
Mobile phones	500	500	408	(92)
Office	1,500	3,000	2,946	(54)
Police reserves	1,000	400	353	(47)

(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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
EXPENDITURES (Continued)				
Police Department (Continued)				
Police supplies	3,500	3,500	2,672	(828)
Public relations and advertising	200	200	271	71
Training and education	-	800	722	(78)
Vehicle lease and maintenance	34,970	35,970	34,748	(1,222)
Capital outlay - purchase of equipment	3,500	19,000	46,602	27,602
Total Police Department	<u>520,520</u>	<u>573,920</u>	<u>608,499</u>	<u>34,579</u>
Public Works Department				
Salaries	43,000	38,200	39,450	1,250
Employee benefits	12,000	11,200	11,049	(151)
Payroll taxes	3,300	2,950	2,969	19
Building/ground maintenance	12,500	9,200	8,591	(609)
Engineering	15,000	12,000	14,189	2,189
Equipment repairs	1,500	400	328	(72)
Gasoline	1,300	1,000	1,082	82
Miscellaneous	500	500	313	(187)
Mobile phones	110	10	11	1
Park expense	-	35,000	37,300	2,300
Public relations and advertising	500	-	-	-
Road and street repairs	2,500	30,150	30,230	80
Snow removal	3,500	1,350	1,131	(219)
Street lights	18,000	17,000	16,862	(138)
Vehicle maintenance	1,000	100	71	(29)
Capital outlay - purchase of equipment	1,000	400	721	321
Total Public Works Department	<u>115,710</u>	<u>159,460</u>	<u>164,297</u>	<u>4,837</u>
Total Expenditures	<u>910,430</u>	<u>1,012,830</u>	<u>1,044,101</u>	<u>31,271</u>
REVENUES UNDER EXPENDITURES	<u>(84,930)</u>	<u>(191,845)</u>	<u>(217,149)</u>	<u>(25,304)</u>
OTHER FINANCING SOURCES				
Transfers in	-	143,963	111,339	(32,624)
Issuance of capital lease	-	-	29,996	29,996
Total Other Financing Sources	<u>-</u>	<u>143,963</u>	<u>141,335</u>	<u>(2,628)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (84,930)</u>	<u>(47,882)</u>	<u>(75,814)</u>	<u>(27,932)</u>
FUND BALANCE, OCTOBER 1			<u>202,816</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 127,002</u>	

CITY OF COOL VALLEY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER LATERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments	\$ 27,000	22,000	22,275	275
Investment income	-	-	531	531
Total Revenues	<u>27,000</u>	<u>22,000</u>	<u>22,806</u>	<u>806</u>
EXPENDITURES				
Public works department	<u>10,000</u>	<u>-</u>	<u>10,700</u>	<u>10,700</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 17,000</u></u>	<u><u>22,000</u></u>	12,106	<u><u>(9,894)</u></u>
FUND BALANCE, OCTOBER 1			<u>13,350</u>	
FUND BALANCE, SEPTEMBER 30			<u><u>\$ 25,456</u></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, 2006

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.
- 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

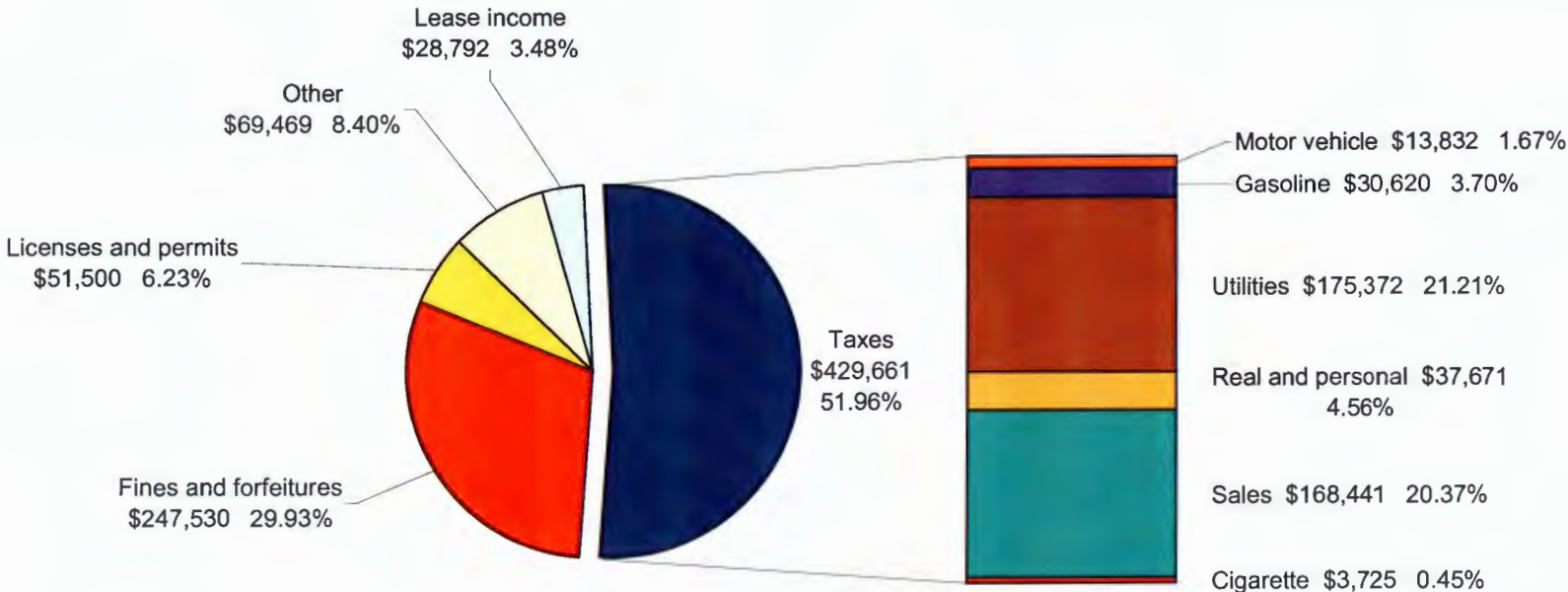
CITY OF COOL VALLEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 68,000	79,000	85,628	6,628
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>(143,963)</u>	<u>(111,339)</u>	<u>32,624</u>
NET CHANGE IN FUND BALANCE	<u>\$ 68,000</u>	<u>(64,963)</u>	<u>(25,711)</u>	<u>39,252</u>
FUND BALANCE, OCTOBER 1			<u>221,926</u>	
FUND BALANCE, SEPTEMBER 30			<u>\$ 196,215</u>	

CITY OF COOL VALLEY, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2006

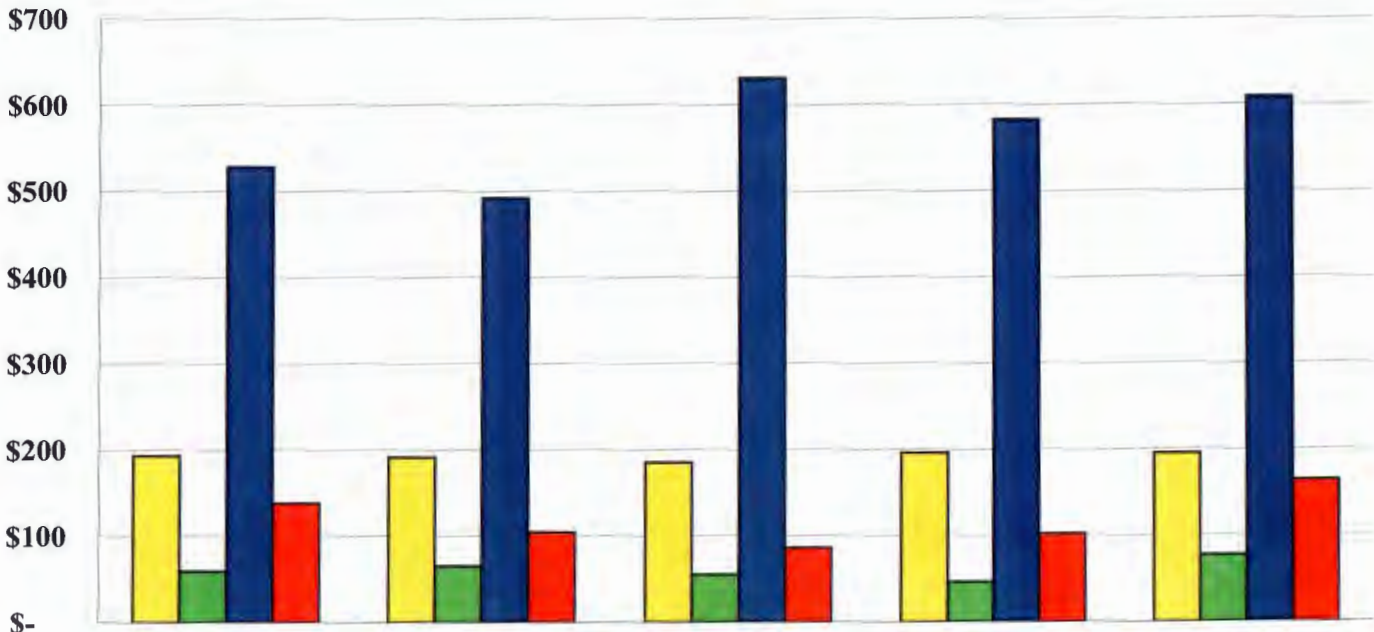
	<u>Balance September 30 2005</u>	<u>Net Change</u>	<u>Balance September 30 2006</u>
COURT BOND DEPOSITS			
Assets			
Cash	\$ 13,537	1,392	14,929
Liabilities			
Due to others - municipal court bonds	\$ 13,537	1,392	14,929

CITY OF COOL VALLEY, MISSOURI
GENERAL FUND REVENUE
FOR THE YEAR ENDED SEPTEMBER 30, 2006



CITY OF COOL VALLEY, MISSOURI
GENERAL FUND EXPENDITURES
FOR THE YEARS ENDED SEPTEMBER 30

Thousands



- Administrative
- Municipal court
- Police
- Public works

	2002	2003	2004	2005	2006
Administrative	\$193	\$191	\$185	\$196	\$195
Municipal court	\$59	\$65	\$55	\$46	\$77
Police	\$528	\$492	\$631	\$582	\$608
Public works	\$138	\$104	\$86	\$102	\$164

CITY OF COOL VALLEY, MISSOURI
GENERAL FUND REVENUES AND EXPENDITURES
FOR THE YEARS ENDED SEPTEMBER 30

