

**CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
SEPTEMBER 30, 2009**

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JEFFERSON COUNTY, MISSOURI
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**Daniel Jones
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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
City Council
City of Festus, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Festus, Missouri, (the City) as of and for the year ended September 30, 2009, 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 of Festus' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 the 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.

The financial statements of Festus Public Library Foundation, Inc. (the Foundation) have not been audited, and we were not engaged to audit the Foundation financial statements as part of our audit of the City's basic financial statements. The Foundation's financial activities are included in the City's basic financial statements as a discretely presented component unit and represent 0.09 percent, 0.78 percent, and 1.20 percent of the assets, net assets, and revenues, respectively, of the City's aggregate discretely presented component units.

The City has not determined the cost of its other post-employment benefit plan in accordance with accounting principles generally accepted in the United States of America (GASB 45), which require the cost of employees' benefits to be recognized over the employees' respective service periods and a liability to be recognized when the accumulated benefit obligation exceeds the fair value of plan assets. The effects of that departure on the financial statements are not reasonably determinable.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the Foundation's financial statements been audited, the financial statements referred to above present fairly, in all material respects, the respective financial position of the aggregate discretely presented component unit for the City of Festus, Missouri, as of September 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in our opinion, except for the effects of the matter discussed above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Festus, Missouri, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2010, on our consideration of the City of Festus' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Required Supplemental Information on pages 3 through 13 and 46 through 50 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 of Festus' basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

May 12, 2010

CITY OF FESTUS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING SEPTEMBER 30, 2009
(UNAUDITED)

As management of the City of Festus, Missouri, we offer readers of the City of Festus's Financial Statements this narrative overview and analysis of the financial activities of the City of Festus, Missouri for the Fiscal Year ended September 30, 2009. We encourage readers to consider the information presented here along with the City's financial statements, including the footnotes and supplementary information that follow this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS

- The assets of the City, as reported by the Statement of Net Assets, exceeded its liabilities at the close of the most recent fiscal year by \$ 27,542,524 (net assets). Of this amount, \$ 9,557,763 (unrestricted net assets) may be used to meet the City's ongoing obligations to its citizens and creditors in accordance with the City's fund designation and fiscal policies.
- As of the close of the 2009 fiscal year, the City of Festus' Governmental Fund Statements reported combined ending fund balances of \$ 6,860,610 an increase of \$ 233,613 in comparison with the prior year, after adjustments. 100 % of this total amount is available for spending at the government's discretion (unreserved fund balance). Of this amount the City tries to maintain a balance of \$1,000,000 for emergency purposes in the General Fund and \$1,000,000 in the City Transportation Tax Fund.
- As of the close of the 2009 fiscal year, the City of Festus' Proprietary Funds reported combined ending net assets of \$ 9,005,159, an increase of \$ 842,252 in comparison with the prior year, after adjustments.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$ 2,320,166 or 41% of total general fund expenditures.
- The City's total debt decreased by \$ 618,687 during the current fiscal year to a total of \$ 16,301,368. This includes the capital lease for the purchase and remodeling of the new Library building at 400 West Main Street.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Festus, Missouri's finances, in a manner similar to a private-sector business. Note the government-wide financial statements exclude fiduciary fund activities.

The two government-wide statements are the *statement of net assets* and the *statement of activities*. These statements report the City's net assets and how they have changed.

The *statement of net assets* presents information on all the City of Festus' 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 of Festus, Missouri 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 and 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 accrued vacation leave).

CITY OF FESTUS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

The government-wide financial statements distinguish functions of the City of Festus, Missouri that are principally supported by taxes and intergovernmental revenues (*governmental activities*), from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Not only do the government-wide financial statements include the City itself (known as the primary government), but also two legally separate agencies. Financial information for the component units are shown separately from the financial information presented for the primary government. The *governmental activities* of the City of Festus, Missouri include general government, judicial, building and planning, public safety, parks and recreation, public works and a public library. The City of Festus, Missouri operates two *business-type activities* that include a municipal airport and a water and sewer department.

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 of Festus, Missouri like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Festus, Missouri can be divided into two categories: governmental funds and proprietary funds.

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 statement focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable 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 financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in the fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and the government-wide *financial statements*.

The City of Festus, Missouri maintains sixteen individual 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, City Transportation Tax Fund, County Transportation Tax Fund, and NID Fund, which are considered to be a major funds. Data from the other governmental funds are combined into a single, aggregated presentation called "other governmental funds". Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the other supplementary information section in this report.

The City of Festus, Missouri adopts an annual appropriated budget for all of its major governmental funds and all other governmental funds. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budget.

CITY OF FESTUS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING SEPTEMBER 30, 2009
(UNAUDITED)

PROPRIETARY FUNDS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The City has two enterprise funds, which are the municipal airport fund and the water and sewer fund. The proprietary fund financial statements provide separate information for the Airport and the Water and Sewer funds since both are considered to be major funds of the City.

NOTES TO THE BASIC 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.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Festus's progress in funding its obligations to provide pension benefits to its employees.

OTHER SUPPLEMENTARY INFORMATION

The combining and individual fund statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS-FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

This is the sixth year that the City has presented its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Therefore, a comparative analysis of government-wide data is provided.

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 of Festus, Missouri, assets exceeded liabilities by \$ 27,542,524 at the close of the most recent fiscal year.

CITY OF FESTUS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING SEPTEMBER 30, 2009
(UNAUDITED)

City of Festus Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<i>Assets</i>						
Current & Other Assets	\$13,576,253	\$14,812,949	\$11,281,138	\$11,129,294	\$24,857,391	\$25,942,243
Capital Assets, Net	13,710,498	11,853,829	8,924,595	8,979,913	22,635,093	20,833,742
Total Assets	27,286,751	26,666,778	20,205,733	20,109,207	47,492,484	46,775,985
<i>Liabilities</i>						
Long-Term Liabilities	5,635,638	5,545,157	10,665,730	11,374,898	16,301,368	16,920,055
Other Liabilities	3,113,748	3,853,339	534,844	571,402	3,648,592	4,424,741
Total Liabilities	8,749,386	9,398,496	11,200,574	11,946,300	19,949,960	21,344,796
<i>Net Assets</i>						
Invested in Capital Assets, Net of Related Debt	11,961,191	10,949,173	6,385,083	5,560,125	18,346,274	16,509,298
Restricted	(488,316)	(516,159)	126,803	126,008	(361,513)	(390,151)
Unrestricted	7,064,490	6,835,268	2,493,273	2,476,774	9,557,763	9,312,042
Total Net Assets	\$18,537,365	\$17,268,282	\$ 9,005,159	\$ 8,162,907	\$27,542,524	\$25,431,189

The largest portion of the City's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (1.3 %) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$9,557,763 may be used to meet the City's ongoing obligations to citizens and creditors.

As of September 30, 2009, the City of Festus, Missouri is able to report positive balances in all but the restricted net assets for the governmental activities, which reflected a negative balance for the current year-end.

CITY OF FESTUS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)

Key elements of the changes in net assets are as follows:

City of Festus Statement of Activities	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues						
Program Revenues:						
Charges for Services	\$1,740,538	\$1,343,057	\$ 3,399,447	\$ 3,506,408	\$5,139,985	\$4,849,465
Operating Grants	307,748	68,681	-	-	307,748	68,681
Capital Grants & Contributions	-	2,721,738	119,262	66,013	119,262	2,787,751
General Revenues:						
Taxes	7,918,622	8,127,316	-	-	7,918,622	8,127,316
Licenses (taxes)	190,874	191,256	-	-	190,874	191,256
Investment Income	103,367	236,989	191,023	271,903	294,390	508,892
Gain/Loss, on disposal	(39,272)	(28,927)	-	-	(39,272)	(28,927)
Miscellaneous	433,929	1,301,090	8,132	9,543	442,061	1,310,633
Total Revenue	10,655,806	13,961,200	3,717,864	3,853,867	14,373,670	17,815,067
Expenses						
Administration	595,462	608,466	-	-	595,462	608,466
Court	154,639	162,961	-	-	154,639	162,961
Building Department	371,491	385,967	-	-	371,491	385,967
Police	2,154,683	2,294,661	-	-	2,154,683	2,294,661
Dispatch	447,698	420,884	-	-	447,698	420,884
Fire	357,637	497,118	-	-	357,637	497,118
Emergency Management	22,174	26,376	-	-	22,174	26,376
Street	1,554,464	2,681,727	-	-	1,554,464	2,681,727
Health	111,706	115,621	-	-	111,706	115,621
Library	930,862	1,598,467	-	-	930,862	1,598,467
Parks	557,576	733,144	-	-	557,576	733,144
Public Works	-	49,603	-	-	-	49,603
Non-Departmental	1,388,234	1,646,637	-	-	1,388,234	1,646,637
Economic Development	-	-	-	-	-	-
Interest and Fiscal Charges	107,395	71,979	-	-	107,395	71,979
Airport	-	-	36,590	26,422	36,590	26,422
Water and Sewer	-	-	3,471,722	3,831,582	3,471,722	3,831,582
Total Expenses	8,754,021	11,293,611	3,508,312	3,858,004	12,262,333	15,151,615
Special Items:						
Transfers	(632,700)	(641,115)	632,700	641,115	-	-
Increase (decrease)	\$ 1,269,085	\$ 2,026,474	\$ 842,252	\$ 636,978	\$ 2,111,337	\$ 2,663,452

CITY OF FESTUS, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING SEPTEMBER 30, 2009
(UNAUDITED)

SIGNIFICANT CHANGES IN NET ASSETS

Governmental Activities:

Some of the changes noted are:

- Taxes decreased 2.6% for the year for the Government Activities Funds. The sales tax collections net of reimbursements for all governmental funds, decreased \$ 103,920 or (1.78%). The utility gross receipts tax had a decrease of \$ 241,403 or 24% compared to last year's receipts, the majority of this decrease is due to the cell phone companies paying back and current taxes after a court settlement in the previous year. The state gas tax decreased for the second year by over 2% and the vehicle sales tax decreased over 14% compared to last year. The City's business licenses decreased slightly by .2% and building permits decreased from last year by almost 41%.
- The City began the collection of a two percent tourism tax in fiscal year 2003 to promote tourism in the City and to be used towards improvements to City parks. The City has collected \$ 93,050 for the fiscal year ending 2009 and \$ 85,530 for the fiscal year ending 2008. The City was able to use part of the funds during 2009 to install the Life Trail system purchased in 2008 and to purchase playground equipment for the West City Park Complex.
- The City has set up a special allocation fund to deposit 50% of sales tax revenues generated from the Lowe's and Home Depot stores, which will get reimbursed back to them for certain infrastructure costs (see notes to the financial statements for more detail).

FINANCIAL ANALYSIS OF THE CITY OF FESTUS, MISSOURI'S FUNDS

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

GOVERNMENTAL FUNDS

The focus of the City of Festus, Missouri's governmental funds is to provide information on inflows and balances of available expendable resources. Such information is useful in assessing the City's financial 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.

At the end of year 2009, the unreserved fund balance of the general fund was \$ 2,320,166, while the total fund balance was \$ 2,473,554. As a measure of the general funds liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved fund balance represents 40% of total general fund expenditures and transfers out of \$ 5,795,002, while total fund balance represents 42.7% of total general fund expenditures and transfers out.

The fund balance of the City's general fund increased by \$ 290,343 or 13.3%, from the adjusted prior-year fund balance. The change of the current year's fund balances is due to:

- 911 tax revenue and cable franchise tax revenue increased over 2008 revenues. Real Estate and Personal Property Tax increased by over 13%, again in 2009. Sales tax revenues, as noted above, decreased by 1.78% and investment income decreased by over 37%. The fines and penalties increased by \$ 363,559.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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(UNAUDITED)

GOVERNMENTAL FUNDS (continued)

- General Fund expenditures increased due to various reasons including a 3% pay increase, one street employee's wages and benefits transferred from City Transportation Tax to General Fund and an additional dispatcher added during the year.

Changes in fund balances for other major governmental funds can be described as follows:

- The City Transportation Fund balance increased by \$ 167,413 or 7% from the prior-year. The expenditures decreased by (\$ 57,152), with a decrease in regular wages and benefits, since one street employee was transferred from City Transportation Fund to the General Fund. There was a decrease of almost (\$ 39,000) in overtime wages, a decrease of over (\$ 32,000) in gas and maintenance on trucks and equipment, and an over \$ 44,000 increase in capital outlay, primarily due to a purchase of heavy equipment. At the end of September 30, 2009, the unreserved fund balance of \$2,496,601 is available for spending at the City's discretion.
- The County Transportation Fund increased by \$ 515 or .22% from the prior year. At the end of September 30, 2009 the unreserved fund balance of \$229,437 is essentially a reserve needed in order to pay for expenditures up front until the City can request reimbursement through the County. There was deferred revenue in the amount of \$1,071,964 available at September 30, 2009.

PROPRIETARY FUNDS

Business-type activities increased the City's net assets by \$ 842,252, which is an increase of more than 10% over the prior fiscal year. Key elements of this change are as follows:

- The City's Municipal Airport had a decrease in net assets of \$ 36,545 or (14%) from the prior year. The City's Municipal Airport is currently being operated under a management agreement with the Citizens for Airport Economic Expansion, Inc. who is a not-for-profit corporation formed for the express purpose of providing airport management services. There is an offer to purchase the airport that should be executed in 2010.
- The Water and Sewer Fund had an increase in net assets in the amount of \$ 878,797 or 11% from the prior year. The City water sales decreased in the amount of \$ 19,398 or (.8%) from the prior year. The City sewer sales increased slightly in the amount of \$ 632 or (.07%).
- The primary reason for the increase is the transfer in to the Water and Sewer Fund of \$632,700 from the new sales tax deposited into the Capital Improvement Fund.

CAPITAL ASSETS

The City of Festus' investment in capital assets for its governmental and business type activities as of September 30, 2009 amounts to \$22,635,093 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and bridges. The increase in the City of Festus' investment in capital assets for the current fiscal year was 8.6%, (a 15.7% increase for governmental activities and a .6% decrease for business-type activities).

Major capital asset events during the current fiscal year included the following:

Governmental Activities:

A parcel of land was donated to the Park Department valued at \$ 50,200, also various right-of-ways and easements were acquired in preparation of the street projects, resulting in the increase in land.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING SEPTEMBER 30, 2009
(UNAUDITED)

Governmental Activities (continued)

- Buildings and Other Improvements increased, mainly by the Library building expenditures being transferred from Construction in Progress, as well as the costs to complete the project.
- The vehicle maintenance building at 500 Ridge, was rehabbed at a cost of \$58,703.
- Office equipment was purchased for various departments including a server for Administration and one for Police, a computer for public works, and the Library acquired new shelving ,scanner, book return, book cart and chairs.
- The main addition to Automotive Equipment was the purchase of a new fire truck at a cost of \$ 669,000 and a new Vactor Truck. Also purchased was a 2004 Tahoe for the Police Department. The 1976 pumper fire truck and a 1988 Mack truck were sold.
- Machinery and equipment acquired during the year included Fire Department turn out gear and various pieces of equipment for the new fire truck. The Police Department acquired cameras, light bars, LED bars, radios and a defibrillator. The Street Department acquired a core drill.
- Additions to infrastructure included street overlays totaling \$ 538,463 and storm water projects totaling \$154,119.
- Land Improvements included Street Department sidewalks, retaining walls, and road improvement at Collins Drive for a cost of \$ 246,545. Another land improvement was the infield conditioner at West City Park.

Business-Type Activities:

- During the year there was \$ 70,113 spent on lining various 8” sewer lines in the City.
- Spent nearly \$ 15,000 for a lateral sewer extension at Lambert Lagoon and Scenic Lane.
- Submersible pumps were purchased for various lift stations for a total of \$ 28,615.
- An Aries television inspection van was purchased for \$ 124,973.
- We upgraded the water system by replacing various water lines and tying in to District 7 for a cost of \$ 387,091.
- Smaller items added were a new payment box, a controller pump and alarm monitoring for nearly \$ 10,000.

City of Festus Capital Assets (net of depreciation)	Government Activities		Business-type Activities		Total Capital Assets	
	2008	2008	2008	2008	2008	2008
Land	\$ 1,472,936	\$ 1,414,168	\$ 242,549	\$ 242,549	\$ 1,715,485	\$ 1,656,717
Construction in Progress	273,201	1,562,632	24,376	470,516	297,577	2,033,148
Systems and Improvements			7,571, 358	7,317,535	7,571,358	7,317,535
Buildings and Other Improvements	3,772,481	2,095,365	195,727	213,550	3,968,208	2,308,915
Office Equipment	107,517	54,332			107,517	54,332
Automotive Equipment	1,083,486	444,051	251,281	63,367	1,334,767	507,418
Machinery and Equipment	499, 517	396, 506	634,641	663,386	1,134,158	1,059,892
Furniture and Fixtures			485	1,322	485	1,322
Computer Equipment			4,178	7,686	4,178	7,686
Infrastructure	4,067,915	3,575,632			4,067,915	3,575,632
Land Improvements	2,433,445	2,311,140			2,433,445	2,311,140
Capital Assets, Net	\$ 13,710,498	\$11,853,826	\$ 8,924,595	\$8,979,911	\$ 22,635,093	\$ 20,833,737

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING SEPTEMBER 30, 2009
(UNAUDITED)

LONG-TERM DEBT

Governmental Activities:

At the end of September 30, 2009 the City had outstanding long-term debt obligations for governmental activities in the amount of \$5,635,638 compared to \$5,543,863 in 2008. The City's obligations include a Neighborhood Improvement District Bonds in the amount of \$505,331 that will be assessed to property owners benefiting from improvements within the Bailey Station, Tanglewood, and Alexander Heights Subdivisions over the next 14 years. Capital lease obligations outstanding totaled \$1,855,077, which include a capital lease for police vehicles, a capital lease for the new library project, and a new lease for a fire truck. The Certificate of Participation was issued to purchase the fire-training center. The Notes Payable is the balance due to Lowe's and Home Depot for reimbursement of infrastructure costs, which is to be repaid with a specified portion of the sales tax collected by those companies. (See the Note IV - Long Term Debt for further clarification of the agreements).

Business-type Activities:

At the end of September 30, 2009, the City had outstanding long-term debt obligations for business-type activities in the amount of \$10,665,730 compared to \$11,374,898 in 2008. The Neighborhood Improvement District (NID) Bonds totaling \$194,677 have various maturity dates out to 2022. The Certificates of Participation Series 2005 is for the installation of the 18" parallel sewer line, net of the discount and the \$944,133 is due in annual installments through 2025. The revenue bonds consist of various series and installments, which are due through July 2023. The notes payable includes the SRF-2001C and SRF-2002B. . (See the Note IV - Long Term Debt for further clarification of the agreements).

City of Festus Outstanding Long-Term Debt Obligations September 30,	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Capital Leases	\$1,855,077	\$1,664,313	\$ -	\$ -	\$ 1,855,077	\$ 1,664,313
Revenue Bonds			6,989,923	7,487,638	6,989,923	7,487,638
NID	505,331	534,207	194,677	205,801	700,008	740,008
Certificates of Participation	119,282	158,706	944,133	983,464	1,063,415	1,142,170
Notes Payable	3,155,948	3,186,637	2,536,997	2,697,995	5,692,945	5,884,632
Total	\$5,635, 638	\$5,543,863	\$10,665,730	\$11,374,898	\$ 16,301,368	\$ 16,918,761

SIGNIFICANT VARIANCES BETWEEN BUDGETS AND ACTUAL EXPENDITURES

In the general fund, the following significant variances occurred between budget, amended (final) budget and actual expenditures:

- General revenues showed an increase of \$ 81,753 over the amended budget. Conservatism was used in designating a budget amount for Property Taxes, Utility Gross Receipts, 911 Tax, and Court Fines and all had revenues higher than budget. Whereas, even though conservatism was used the Sales Tax, Vehicle Sales Tax, Additional Motor Fees, Building Permits, and Investment Income were all under amounts budgeted. The variance in service charges was due to the actual number of trash customers being larger than the number used for the budget.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING SEPTEMBER 30, 2009
(UNAUDITED)

SIGNIFICANT VARIANCES BETWEEN BUDGETS AND ACTUAL EXPENDITURES (continued)

- Under administration, salaries and benefits were under budget due to being without a City Administrator for four months, capital purchases were under budget since it was determined not to purchase chairs for the Council Chamber and the printers that were in the budget did not need to be replaced. Bank fees were over budget, since the interest rates were too low to cover the fees, which had not been the case in many years. The building and grounds maintenance expenses were also under budget, due to the need to replace a compressor on the HVAC. The department was under budget in total by \$40,089.
- With a change in overtime policy to allow taking comp time rather than paid overtime and a change in court staff, the wages, overtime, and benefits were all under budget. The court was \$ 19,393 under budget for the year.
- The police department was under budget by \$166,255, which included over \$32,000 in savings in wages and overtime and nearly \$29,000 under budget in benefits, the savings can be attributed to reducing secretarial staff and not replacing a retiree and other officers immediately after leaving. Another large amount under budget was the gas line item, when the budget was prepared gasoline was fluctuating and to be conservative we used \$4 per gallon to prepare the estimate.
- Dispatch was 3% under on personal services and 15% under on benefits, due in part to turn over in personnel.
- The fire department volunteer firefighters were 23% under budget and the vehicle and travel expenses were \$22,233 or 56% under budget due mainly to only spending 39% of their heavy equipment maintenance line, plus only 50% of the Light Equipment maintenance line and 49% of the gas budget.
- The street department utilized only 93% of personal services and 91% of benefits for an overall amount under budget of \$31,199.
- The non-departmental budget for trash collections was under budget by almost \$26,000, the corresponding revenue was over budget by almost \$49,000.

Other significant variances occurred between budget, amended budget and actual expenditures for other major governmental funds can be described below:

- The City's Transportation Tax Fund showed sales tax revenues coming in \$ 51,498 less than what was budgeted and the investment income coming in \$9,901 less than budget.
- Expenditures for the City's Transportation Tax Fund were \$238,556 under the amount budgeted. The primary categories for this were wages and benefits under budget, in part due to not replacing an employee immediately and also the allowing of comp time rather than paid overtime. Other areas of budget savings include gas as noted above being budgeted at \$4 per gallon was \$30,428 under budget, material and supply, which was \$114,457 under budget and special expenses, which were \$51,006 under budget.
- The County Transportation Tax Fund showed grant revenue under budget by \$972,741, which was a result of the North Mill and 5th street project that was delayed in construction. Capital Outlay expenditures in this fund were under budget by \$834,825, which was also a result of the North Mill and 5th street project that was delayed in construction.

Variances noted in non-major governmental funds, include:

- The Library Fund showed capital expenditures under budget, since the amount of remodeling of the new library building carried over to the 9/30/09 budget year was overstated and had actually been completed and paid in the previous year.
- The Park Fund showed operating expenses under budget by \$48,215, which resulted from gas and vehicle maintenance being expended at 49% of budget and special expenses at 78% of budget.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDING SEPTEMBER 30, 2009
(UNAUDITED)

SUBSEQUENT EVENT

On April 16, 2010, two bids were received for the sale of the existing airport land and buildings, and on April 21, 2010 the Council authorized the City Administrator to proceed with negotiation to finalize the sale. On May 12, 2010, the Council authorized the Mayor to enter into and execute the contract for the sale of the airport property.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Festus, Missouri's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance and Administration, 711 West Main Street, Festus, MO 63028.

BASIC FINANCIAL STATEMENTS

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
STATEMENT OF NET ASSETS
AS OF SEPTEMBER 30, 2009

	Primary Government			Componet Unit
	Governmental Activities	Business Type Activities	Total	Festus Public Library Foundation
ASSETS				
Cash and cash equivalents	3,100,253	1,316,730	4,416,983	-
Investments	3,508,086	771,039	4,279,125	-
Restricted cash	76,470	417,053	493,523	23,853
Restricted investments	-	3,558,500	3,558,500	-
Receivables (net of allowance for uncollectibles)				
Taxes	5,569,559	-	5,569,559	-
Special assessments	650,465	170,111	820,576	-
Service charges	-	348,385	348,385	-
Interest	11,353	42,393	53,746	-
Grants	28,669	1,620	30,289	-
Other	258,965	55,541	314,506	-
Court	124,076	-	124,076	-
Prepaid items	219,056	48,322	267,378	-
Inventory	-	167,572	167,572	-
Investment in joint venture	-	4,250,886	4,250,886	-
Debt issue costs	29,301	132,986	162,287	-
Capital assets:				
Land and construction in progress	1,746,137	266,925	2,013,062	-
Other capital assets, net of accumulated depreciation	11,964,361	8,657,670	20,622,031	-
Total Assets	<u>27,286,751</u>	<u>20,205,733</u>	<u>47,492,484</u>	<u>23,853</u>
LIABILITIES				
Accounts payable	610,311	119,984	730,295	-
Accrued payroll	289,976	54,826	344,802	-
Accrued payroll liabilities - other	43,245	10,228	53,473	-
Accrued interest	3,662	93,301	96,963	-
Deposits payable	-	256,505	256,505	-
Fund held for others	20,456	-	20,456	-
Unearned revenue	1,908,583	-	1,908,583	-
Other liabilities	237,515	-	237,515	-
Noncurrent liabilities:				
Due Within One Year	209,185	697,981	907,166	-
Due in More Than One Year	5,426,453	9,967,749	15,394,202	-
Total Liabilities	<u>8,749,386</u>	<u>11,200,574</u>	<u>19,949,960</u>	<u>-</u>
NET ASSETS				
Invested in capital assets, net of related debt	11,961,191	6,385,083	18,346,274	-
Restricted for debt service funds	505,331	126,803	632,134	-
Restricted for other purposes	-	-	-	23,853
Unrestricted	<u>6,070,843</u>	<u>2,493,273</u>	<u>8,564,116</u>	<u>-</u>
Total Net Assets	<u><u>18,537,365</u></u>	<u><u>9,005,159</u></u>	<u><u>27,542,524</u></u>	<u><u>23,853</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Functions/Programs	Program Cash Receipts				Net (Expense) Revenue and Changes in Net Assets			Component Unit Festus Public Library Foundation
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
PRIMARY GOVERNMENT:								
Governmental Activities:								
Administration	595,462	-	2,437	-	(593,025)	-	(593,025)	-
Court	154,639	625,520	-	-	470,881	-	470,881	-
Building Department	371,491	76,415	-	-	(295,076)	-	(295,076)	-
Police	2,154,683	3,294	117,307	-	(2,034,083)	-	(2,034,083)	-
Dispatch	447,698	65,660	-	-	(382,038)	-	(382,038)	-
Fire	357,637	14,100	-	-	(343,537)	-	(343,537)	-
Emergency Management	22,174	-	-	-	(22,174)	-	(22,174)	-
Street	1,554,464	-	-	-	(1,554,464)	-	(1,554,464)	-
Health	111,706	7,502	102	-	(104,102)	-	(104,102)	-
Library	930,862	62,350	89,400	-	(779,111)	-	(779,111)	-
Parks	557,576	50,372	11,121	-	(496,083)	-	(496,083)	-
Public Works	-	50,511	-	-	50,511	-	50,511	-
Nondepartmental	1,388,234	784,814	87,382	-	(516,039)	-	(516,039)	-
Economic development	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	107,395	-	-	-	(107,395)	-	(107,395)	-
Total Government Activities	8,754,021	1,740,538	307,748	-	(6,705,736)	-	(6,705,736)	-
Business-type Activities:								
Airport	36,590	-	-	-	-	(36,590)	(36,590)	-
Water and Sewer	3,471,722	3,399,447	-	119,262	-	46,987	46,987	-
Total Business-type Activities	3,508,312	3,399,447	-	119,262	-	10,397	10,397	-
Total Primary Government	12,262,333	5,139,984	307,748	119,262	(6,705,736)	10,397	(6,695,339)	-
COMPONENT UNITS:								
Component Unit - Festus Public Library Foundation	91,936	-	-	-	-	-	-	(91,936)
Total Component Units	91,936	-	-	-	-	-	-	(91,936)
General Revenues								
Taxes:								
Sales tax					5,732,373	-	5,732,373	-
Property tax					786,388	-	786,388	-
Taxes - other					1,399,861	-	1,399,861	-
Licenses (taxes)					190,874	-	190,874	-
Investment income					103,367	191,023	294,390	229
Gain/Loss on Disposal of Assets					(39,272)	-	(39,272)	-
Miscellaneous					433,929	8,132	442,061	25,303
Transfers					(632,700)	632,700	-	-
Total General Revenues					7,974,820	831,855	8,806,675	25,532
CHANGE IN NET ASSETS					1,269,084	842,252	2,111,336	(66,404)
NET ASSETS, BEGINNING OCTOBER 1					17,268,281	8,162,907	25,431,188	90,257
NET ASSETS, ENDING SEPTEMBER 30					18,537,365	9,005,159	27,542,524	23,853

The notes to the financial statements are an integral part of this statement.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2009

ASSETS	General Fund	City Transportation Tax	County Transportation Tax	NID Assessment	Other Governmental Funds	Total Governmental Fund
Cash and cash equivalents	684,170	1,018,824	205,684	-	1,191,575	3,100,253
Investments	996,960	1,310,000	-	-	1,201,126	3,508,086
Restricted cash	20,456	-	-	19,271	908	40,635
Restricted Investments	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)						
Taxes	549,081	194,843	1,359,325	-	310,362	2,413,611
Special assessments	-	-	-	650,005	460	650,465
Interest	3,467	3,362	-	-	4,524	11,353
Other	141,779	300	-	141	116,745	258,965
Grants	5,539	-	-	-	23,130	28,669
Court	124,076	-	-	-	-	124,076
Prepaid items	153,388	41,501	-	-	24,167	219,056
Due from other funds	393,833	-	-	-	-	393,833
Total Assets	<u>3,072,749</u>	<u>2,568,830</u>	<u>1,565,009</u>	<u>669,417</u>	<u>2,872,997</u>	<u>10,749,002</u>
LIABILITIES						
Accounts payable	98,491	13,682	263,608	-	234,530	610,311
Accrued payroll	135,598	14,029	-	-	17,322	166,949
Accrued payroll liabilities - other	34,221	3,806	-	-	5,218	43,245
Due to other funds	-	-	-	228	393,605	393,833
Fund held for others	20,456	-	-	-	-	20,456
Deferred revenue	152,174	-	1,071,964	650,005	34,440	1,908,583
Accrued interest	-	-	-	2,169	-	2,169
Other liabilities	158,255	40,712	-	-	38,548	237,515
Noncurrent liabilities:						
Due within one year	-	-	-	-	-	-
Due in more than one year	-	-	-	-	-	-
Total Liabilities	<u>599,195</u>	<u>72,229</u>	<u>1,335,572</u>	<u>652,402</u>	<u>723,663</u>	<u>3,383,061</u>
FUND BALANCE						
Reserved:						
Prepaid items	153,388	41,501	-	-	24,167	219,056
Encumbrances	-	-	-	-	-	-
Debt service fund	-	-	-	-	-	-
Unreserved:						
General fund	2,320,166	-	-	-	-	2,320,166
Special revenue fund	-	2,455,100	229,437	17,015	2,125,167	4,826,719
Total Fund Balances	<u>2,473,554</u>	<u>2,496,601</u>	<u>229,437</u>	<u>17,015</u>	<u>2,149,334</u>	<u>7,365,941</u>
Total Liabilities and Fund Balances	<u>3,072,749</u>	<u>2,568,830</u>	<u>1,565,009</u>	<u>669,417</u>	<u>2,872,997</u>	<u>10,749,002</u>

The notes to the financial statements are an integral part of this statement.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Total Fund Balances - Governmental Funds	7,365,941
Amounts reported for governmental activities in the statement of net assets are different because:	
Certain current assets are not available to pay for current period expenditures and therefore, are deferred in the funds.	35,835
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,710,498
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds.	30,020
The long-term debt group cash is not accounted for in the fund financial statements.	3,155,948
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 payables	(1,493)
Accrued compensated absences	(123,027)
Bonds and notes payable outstanding	<u>(5,636,357)</u>
Net Assets Of Governmental Activities	<u><u>18,537,365</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	General Fund	City Transportation Tax	County Transportation Tax	NID Assessment	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	270,517	-	-	-	515,870	786,387
Taxes - other	3,615,193	1,154,502	836,576	-	1,525,962	7,132,233
Intergovernmental	-	-	-	-	9,970	9,970
Special assessments	-	-	-	50,511	-	50,511
Grant revenue	44,642	-	-	-	102,955	147,597
Licenses and permits	264,289	3,000	-	-	-	267,289
Fines and penalties	618,340	-	-	-	36,068	654,408
Investment income	29,851	30,099	390	801	34,003	95,144
Building lease payments	-	-	-	-	74,000	74,000
Other	60,054	1,906	1,465	-	534,924	598,349
Service charges	850,474	-	-	-	-	850,474
Total Revenues	5,753,360	1,189,507	838,431	51,312	2,833,752	10,666,362
EXPENDITURES						
Current:						
Administration	530,710	-	-	-	-	530,710
Court	154,483	-	-	-	-	154,483
Building Department	356,054	-	-	-	-	356,054
Police	2,048,403	-	-	-	5,627	2,054,030
Dispatch	443,291	-	-	-	-	443,291
Fire	234,214	-	-	-	-	234,214
Emergency management	5,109	-	-	-	-	5,109
Street	381,384	666,346	-	-	-	1,047,730
Health	-	-	-	-	104,863	104,863
Library	-	-	-	-	255,407	255,407
Parks	-	-	-	-	439,962	439,962
Public works	-	-	-	-	-	-
Nondepartmental	926,837	-	-	1,018	266,635	1,194,490
Economic development	-	-	-	-	-	-
Capital outlay	619,069	351,626	837,916	-	1,088,898	2,897,509
Debt service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	26,573	76,115	102,688
Total Expenditures	5,699,554	1,017,972	837,916	27,591	2,237,507	9,820,540
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	53,806	171,535	515	23,721	596,245	845,822
OTHER FINANCING SOURCES (USES)						
Lease purchase proceeds	-	-	-	-	20,491	20,491
Transfers in	331,985	-	-	4,122	406,880	742,987
Transfers out	(95,448)	(4,122)	-	-	(1,276,117)	(1,375,687)
Total Other Financing Sources (Uses)	236,537	(4,122)	-	4,122	(848,746)	(612,209)
NET CHANGE IN FUND BALANCE	290,343	167,413	515	27,843	(252,501)	233,613
FUND BALANCES (DEFICIT), OCTOBER 1	2,183,211	2,329,188	228,922	(516,159)	2,401,835	6,626,997
FUND BALANCES, SEPTEMBER 30	2,473,554	2,496,601	229,437	(488,316)	2,149,334	6,860,610

The notes to the financial statements are an integral part of this statement.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Net Change in Fund Balances - Governmental Funds 233,613

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 are allocated over estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays over the capitalization threshold (\$3,551,524) exceeded the depreciation (\$747,374) in the current period.

Depreciation Expense	(887,820)	
Capital Outlays	2,897,509	2,009,689

Gain/(Loss) on capital assets sold (39,272)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (908,679)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and in the treatment of long-term debt and related items.

Amortization of 2005 COP Underwriter Discount	(575)	
Amortization of 2005 & 2008 COP Cost of Issuance	(1,969)	(2,544)
Payment of 2005 COP interest		(4,707)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Compensated Absences		(19,016)
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	-	
		1,269,084

Change in Net Assets Of Governmental Activities

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

ASSETS	Business-type Activities - Enterprise Funds		
	Airport	Water & Sewer	Totals
Current			
Cash and cash equivalents	5,365	1,311,365	1,316,730
Investments	-	771,039	771,039
Restricted Cash	-	417,053	417,053
Restricted Investments	-	3,558,500	3,558,500
Receivables (net of allowance for uncollectibles)			
Special Assessments	-	170,111	170,111
Service Charges	-	348,385	348,385
Interest	-	42,393	42,393
Grants	1,620	-	1,620
Other	836	54,705	55,541
Prepaid Items	559	47,763	48,322
Inventory	-	167,572	167,572
Total Current Assets	<u>8,380</u>	<u>6,888,886</u>	<u>6,897,266</u>
Noncurrent Assets			
Investments in joint venture	-	4,250,886	4,250,886
Debt Issue Costs	-	132,986	132,986
Non-depreciable capital assets:			
Land and Construction in Progress	48,490	218,435	266,925
Depreciable capital assets:			
Other capital assets, net of accumulated depreciation	165,195	8,492,475	8,657,670
Total Noncurrent Assets	<u>213,685</u>	<u>13,094,782</u>	<u>13,308,467</u>
Total Assets	<u>222,065</u>	<u>19,983,668</u>	<u>20,205,733</u>
LIABILITIES			
Current			
Accounts payable	1,891	118,093	119,984
Payroll and compensated absences payable	-	54,826	54,826
Accrued payroll liabilities - other	-	10,228	10,228
Accrued interest	-	93,301	93,301
Revenue bonds payable and neighborhood improvement			
district bonds - current	-	561,124	561,124
Capital leases - current	-	-	-
Notes payable - current	-	136,857	136,857
Deposits payable	-	256,505	256,505
Due to other funds	-	-	-
Other liabilities	-	-	-
Total Current	<u>1,891</u>	<u>1,230,934</u>	<u>1,232,824</u>
Long Term			
Revenue bonds payable and neighborhood improvement			
district bonds, net of bond premiums & discounts	-	7,567,609	7,567,609
Capital leases	-	-	-
Notes payable	-	2,400,140	2,400,140
Total Long Term	<u>-</u>	<u>9,967,749</u>	<u>9,967,749</u>
Total Liabilities	<u>1,891</u>	<u>11,198,683</u>	<u>11,200,574</u>
NET ASSETS			
Net Assets Invested in Capital Assets, Net of Related Debt	213,685	6,171,398	6,385,083
Restricted for debt reserve funds	-	126,803	126,803
Unrestricted Net Asset	6,489	2,486,784	2,493,273
Total Net Assets	<u>220,174</u>	<u>8,784,985</u>	<u>9,005,159</u>

The notes to the financial statements are an integral part of this statement.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN
NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business-type Activities - Enterprise Funds		
	Airport	Water & Sewer	Totals
OPERATING REVENUES			
Water and Sewer Collections and Fees	-	3,395,972	3,395,972
Other	-	3,475	3,475
Total Operating Revenues	-	3,399,447	3,399,447
OPERATING EXPENSES			
Personnel services	16,764	856,682	873,446
Materials and supplies	-	119,925	119,925
Purchased water	-	1,124,200	1,124,200
Utilities and maintenance	435	200,445	200,880
Depreciation and amortization	18,964	526,931	545,895
Treatment plant	-	213,523	213,523
Other	427	49,807	50,234
Total Operating Expenses	36,590	3,091,513	3,128,103
OPERATING INCOME (LOSS)	(36,590)	307,934	271,344
NONOPERATING REVENUES (EXPENSES)			
Interest income	45	190,978	191,023
Miscellaneous income	-	8,132	8,132
Interest expense	-	(380,209)	(380,209)
Total Nonoperating Revenues (Expenses)	45	(181,099)	(181,054)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(36,545)	126,835	90,290
Capital contributions	-	119,262	119,262
Transfers in (out)	-	632,700	632,700
CHANGE IN NET ASSETS	(36,545)	878,797	842,252
NET ASSETS, OCTOBER 1	256,719	7,906,188	8,162,907
PRIOR PERIOD ADJUSTMENT	-	-	-
RESTATED NET ASSETS, OCTOBER 1	256,719	7,906,188	8,162,907
NET ASSETS, SEPTEMBER 30	220,174	8,784,985	9,005,159

The notes to the financial statements are an integral part of this statement.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Business - type Activities - Enterprise Funds		
	Airport	Water And Sewer	Totals
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows from Operating Activities:			
Receipts from Customers	228	3,456,035	3,456,263
Payments to Suppliers	(16,480)	(1,718,128)	(1,734,608)
Payments to Employees	-	(854,901)	(854,901)
Other Receipts (Payments)	(925)	(163,667)	(164,592)
Net Cash Flows from Operating Activities	<u>(17,177)</u>	<u>719,338</u>	<u>702,161</u>
Cash Flows from Noncapital Financing Activities			
Grants and other contributions	-	119,262	119,262
Transfer in / (out)	-	632,700	632,700
Net Cash Used by Noncapital Financing Activities	<u>-</u>	<u>751,962</u>	<u>751,962</u>
Cash Flows from Capital and Related Financing Activities:			
Payments of long-term debt	-	(677,122)	(677,122)
Proceeds from notes payable	-	(40,000)	(40,000)
Interest on debt	-	(380,209)	(380,209)
Acquisition and construction of capital assets	-	(298,558)	(298,558)
Proceeds from sales of capital assets	-	-	-
Net Cash Used by Capital and Related Financing Activities:	<u>-</u>	<u>(1,395,889)</u>	<u>(1,395,889)</u>
Cash Flows from Investing Activities:			
Miscellaneous income	-	(330,385)	(330,385)
Interest on Investments	45	190,978	191,024
Net Cash Used by Investing Activities	<u>45</u>	<u>(139,407)</u>	<u>(139,362)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(17,132)	(63,995)	(81,127)
CASH AND CASH EQUIVALENTS, OCTOBER 1	22,497	6,121,952	6,144,449
LESS INVESTMENTS	-	(4,329,539)	(4,329,539)
CASH AND CASH EQUIVALENTS, OCTOBER 1	<u>22,497</u>	<u>1,792,413</u>	<u>1,814,910</u>
CASH AND CASH EQUIVALENTS, SEPTEMBER 30	<u>5,365</u>	<u>1,728,418</u>	<u>1,733,783</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Cash flows from operating activities:			
Operating Profit (Loss)	(36,590)	307,934	271,343
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation Expense	18,964	353,274	372,238
Gain/(loss) on disposal	-	-	-
(Increase) decrease in:			
Accounts receivable	-	56,475	56,475
Prepaid items	(518)	7,387	6,869
Inventories	-	32,492	32,492
Other current assets	(697)	-	(697)
Increase (decrease) in:			
Accounts payable	1,664	(44,538)	(42,874)
Accrued liabilities	-	6,315	6,315
Total Adjustments	<u>19,413</u>	<u>411,405</u>	<u>430,818</u>
Net cash provided by (used in) operating activities	<u>(17,177)</u>	<u>719,338</u>	<u>702,161</u>

The notes to the financial statements are an integral part of this statement.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting and financial reporting policies applied by the City of Festus, Missouri (the City) conform to U.S. generally accepted accounting principles as applicable to governmental entities. The following is a summary of the more significant policies:

A. The Financial Reporting Entity

The City defines its financial reporting entity in accordance with provisions established by the Governmental Accounting Standards Board (GASB). Such standards require inclusion of component units 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 the 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's financial reporting entity consists of the City (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

Discretely Presented Component Unit

The discretely presented component unit column in the basic financial statements include the financial data of the City's other component unit. It is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The following entity is discretely presented in the basic financial statements as a governmental fund type:

Festus Public Library Foundation, Inc. – The City Council appoints the Library Board. The Library Board then appoints three members from the Library Board and four members from the community to serve as the governing body of the Foundation. The purpose of the component unit is to establish future expansion and repair of the library building, and to update and add to the collection of books, materials, and equipment in the library. Separate financial statements are not prepared for the Festus Public Library Foundation, Inc.

B. 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 and its component unit. For the most part, the effect of interfund activity has been removed from these statements.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Concluded)

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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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 proprietary funds. Major individual governmental funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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 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 claims and judgments and compensated absences, are recorded only when payment is due (i.e. matured).

Property taxes, sales taxes, franchise taxes, fines, 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

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 government reports the following major governmental funds:

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

City Transportation Tax Fund – The City Transportation Tax Fund is comprised of taxes collected to maintain roads and streets within the city.

County Transportation Tax Fund – The County Transportation Tax Fund is comprised of taxes collected to maintain roads and streets within the city.

NID Fund – The NID Fund is a fund that controls all of the activities for NIDs within the city limits.

The City reports the following major proprietary fund:

Water and Sewer Fund – The Water and Sewer Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Airport and Water and Sewer Enterprise Funds are charges for sales and services. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting – under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash, Cash Equivalents, and Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, federal agencies, commercial paper, corporate bonds, and repurchase agreements. The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. GASB State No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that all investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for equity and debt securities.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Allowance for Uncollectable Accounts

Allowance for uncollectible accounts is as follows:

	<u>September 30, 2009</u>
Business-type Activities – Water and Sewer Enterprise Fund	\$14,000

G. Due To/From Other Funds

Noncurrent portions of long-term interfund loans receivable (reported in “advances to” asset accounts) are equally offset by fund balance reserve account which indicates that they do not constitute “available spendable resources” since they are not a component of net current assets. Current portions of long-term interfund loans receivable (reported in “due from” asset accounts) are considered “available spendable resources” and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as “internal balances”.

H. Inventory and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Restricted Assets

Certain proceeds of the Water and Sewer Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

J. Capital Assets

Capital assets which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$1,000 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.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Concluded)

In accordance with GASB Statement No. 34, infrastructure assets constructed, purchased, or donated effective October 1, 2003 are reported in the government-wide financial statements.

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.

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

Asset	Years
Buildings and other improvements	15-30
Office equipment	3-10
Automotive equipment	4-6
Machinery and equipment	5-7
Infrastructure	20-50

K. Compensated Absences

Vacation

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. The entire accumulated vacation leave is accrued when incurred in the government-wide financial statements. For governmental funds, the expenditure for vacation leave is recorded in the fund when the employees who have accumulated vacation leave are paid. Therefore, current portion of the liability is not reported in the governmental funds. A schedule of the accrual for vacation leave follows:

	Total	Amounts Due Within One Year
Governmental Activities	\$ 95,847	\$ 95,847
Business Type Activities	17,369	17,369
	\$ 113,216	\$ 113,216

Sick Leave

Sick leave is accumulated by eligible employees at a rate of 1 day for every full month of service and is available for use after six months of being a regular full-time employee. Unused accumulated sick leave is not eligible to be paid to the employee when separation of employment occurs and consequently is accounted for in the period the sick leave is taken and no liability is recorded.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Concluded)

Comp Time

A non-exempt employee who works more than 40 hours during a work week can receive a comparable amount of compensatory time off during the same work week after approval by the department supervisor. If the supervisor determines that the comp time cannot be taken during the same work week, the supervisor shall grant the accrual of comp time at the rate of one and one-half times or grant pay at the rate of one and one-half times the employee's regular hourly rate. An employee may accrue up to a maximum of 100 hours of banked comp time.

L. Deferred Revenue

Deferred revenue is composed of delinquent property tax receivables, protested utility taxes, and insurance proceeds not used which are measurable but not available and, therefore, not recognized as revenue in the accompanying governmental fund financial statements.

M. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for subsequent year appropriations or legally restricted by outside parties for use of specific purpose.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

O. Property Taxes

The City's property tax calendar is as follows:

- Property is assessed by the County on January 1 each year.
- The tax levy ordinance is adopted and filed with the county clerk on or before September 1.
- Property taxes are due to be collected on or before December 31.
- Property taxes attach as an enforceable lien on property as of January 1.

P. Grant Revenue

Resources received by the City from other governments are accounted for within applicable funds based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the Fund's measurement objective.

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as deferred revenue or amounts receivable from the grantor.

Q. Interfund Transactions

In the fund financial statements, the City has the following types of transactions among funds:

Transfers – Legally authorized transfers are reported when incurred as transfers in by the recipient fund and as transfers out by the disbursing fund.

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

R. 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.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

II. CASH AND INVESTMENTS

At September 30, 2009, the City had deposits and investments as follows:

<u>Type</u>	<u>Maturities</u>	<u>2009 Cost</u>
Unrestricted Deposits :		
Petty Cash	N/A	\$ 1,944
Demand Deposits	N/A	4,415,039
Total Unrestricted Deposits		<u>4,416,983</u>
Restricted Deposits :		
Escrow Account	N/A	908
Bond Demand Deposits	N/A	226,980
Deposits	N/A	265,635
Total Restricted Deposits		<u>493,523</u>
Total Deposits		<u>\$ 4,910,506</u>
Unrestricted Investment:		
Certificate of Deposit	2/8/10	\$ 225,000
Certificate of Deposit	10/7/09	600,000
Certificate of Deposit	1/7/10	200,000
Certificate of Deposit	1/8/10	1,390,400
Certificate of Deposit	7/10/10	500,000
Certificate of Deposit	1/31/10	642,710
Certificate of Deposit	2/28/10	721,015
Total Unrestricted Investments		<u>\$ 4,279,125</u>
Restricted Investments :		
Certificate of Deposit	2/8/10	25,000
Certificate of Deposit	1/8/10	109,600
Certificate of Deposit	1/31/10	29,006
Guaranteed Investment Contract	6/30/23	810,253
Guaranteed Investment Contract	6/30/23	5,914
Guaranteed Investment Contract	6/30/23	306,690
Guaranteed Investment Contract	6/30/23	11,729
Guaranteed Investment Contract	6/30/23	2,230,308
Guaranteed Investment Contract	6/30/23	30,000
Total Restricted Investments		<u>\$ 3,558,500</u>
Total Deposits and Investments		<u>\$ 12,748,131</u>

Investments are recorded at cost, which approximates market.

Interest Rate Risk – The City’s investment policy minimizes the risk that the market value of securities mature to meet cash requirements for ongoing operations and investing operating funds primarily in short-term securities. Investments in banker’s acceptance and commercial paper

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

II. CASH AND INVESTMENTS (Concluded)

shall mature and become payable not more than 180 days from the date of purchase. All other investments shall mature and become payable not more than five years from the date of purchase. The City's established investment policy has limited the City's investment portfolio to a weighted-average maturity that does not exceed three years.

Credit Risk – State law permits Cities to invest in obligations of the State of Missouri or U.S. Government and obligations of government agencies that mature or become payable in one year or less from the date of issue.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law requires depository financial institutions to pledge as collateral for public funds on deposit by governmental unit securities which, when combined with Federal Deposit Insurance Corporation ("FDIC") insurance, are at least equal to the amount on deposit at all times. At September 30, 2009, the City's bank balances were underpledged.

Concentration of Credit Risks – The City places no limit on the amount the City may invest in any one issuer. More than 5% of the City's total unrestricted investments are with U.S. federal agencies.

III. CAPITAL ASSETS

Capital asset activity was as follows:

	<u>For The Year Ended September 30, 2009</u>			Balance September 30, 2009
	Restated Balance September 30, 2008	Additions	Reductions	
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 1,414,167	\$ 58,769	\$ -	\$ 1,472,936
Construction in process	1,593,239	1,414,945	(2,734,983)	273,201
Total Capital Assets Not Being Depreciated	<u>3,007,406</u>	<u>1,473,714</u>	<u>(2,734,983)</u>	<u>1,746,137</u>
Capital assets being depreciated:				
Buildings and other improvements	4,004,347	1,844,756	(165,000)	5,684,103
Office equipment	243,034	75,025	(6,189)	311,870
Automotive equipment	2,953,005	903,828	(181,261)	3,675,572
Machinery and equipment	1,548,900	231,552	(15,875)	1,764,577
Infrastructure	4,118,890	692,583	-	4,811,473
Land Improvements	3,004,837	267,942	(12,684)	3,260,095
Total Capital Assets Being Depreciated	<u>\$ 15,873,013</u>	<u>\$ 4,015,686</u>	<u>\$ (381,009)</u>	<u>\$ 19,507,690</u>

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

III. CAPITAL ASSETS (Continued)

	<u>For The Year Ended September 30, 2009</u>			Balance September 30, 2009
	Restated Balance September 30, 2008	Additions	Reductions	
Less-Accumulated depreciation for:				
Buildings and other improvements	\$ 1,908,981	\$ 130,974	\$ (128,333)	\$ 1,911,622
Office equipment	188,701	21,841	(6,189)	204,353
Automotive equipment	2,508,954	264,393	(181,261)	2,592,086
Machinery and equipment	1,152,394	127,203	(14,537)	1,265,060
Infrastructure	543,257	200,301	-	743,558
Land Improvements	693,697	144,369	(11,416)	826,650
Total Accumulated Depreciation	<u>6,995,984</u>	<u>889,081</u>	<u>(341,736)</u>	<u>7,543,329</u>
Total Capital Assets Being Depreciated, Net	<u>8,877,029</u>	<u>3,126,605</u>	<u>(39,273)</u>	<u>11,964,361</u>
Governmental Activities Capital Assets, Net	<u>\$ 11,884,435</u>	<u>\$ 4,600,319</u>	<u>\$ (2,774,256)</u>	<u>\$ 13,710,498</u>
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 242,549	\$ -	\$ -	\$ 242,549
Construction in process	470,516	431,900	(878,040)	24,376
Total Capital Assets Not Being Depreciated	<u>713,065</u>	<u>431,900</u>	<u>(878,040)</u>	<u>266,925</u>
Capital assets being depreciated:				
Systems and improvements	9,882,421	478,110	-	10,360,531
Buildings and other improvements	827,329	-	-	827,329
Automotive equipment	352,985	230,280	(2,000)	581,265
Machinery and equipment	1,250,765	47,308	(9,000)	1,289,073
Furniture and fixtures	7,642	-	-	7,642
Computer equipment	25,161	-	-	25,161
Total Capital Assets Being Depreciated	<u>12,346,303</u>	<u>755,698</u>	<u>(11,000)</u>	<u>13,091,001</u>
Less-Accumulated depreciation for:				
Systems and improvements	2,564,885	224,416	(128)	2,789,173
Buildings and other improvements	613,778	17,824	-	631,602
Automotive equipment	289,618	42,366	(2,000)	329,984
Machinery and equipment	587,379	76,053	(9,000)	654,432
Furniture and fixtures	6,320	837	-	7,157
Computer equipment	17,475	3,508	-	20,983
Total Accumulated Depreciation	<u>4,079,455</u>	<u>365,004</u>	<u>(11,128)</u>	<u>4,433,331</u>
Total Capital Assets Being Depreciated, Net	<u>8,266,848</u>	<u>360,694</u>	<u>128</u>	<u>8,657,670</u>
Business-type Activities Capital Assets, Net	<u>\$ 8,979,913</u>	<u>\$ 822,594</u>	<u>\$ (877,912)</u>	<u>\$ 8,924,595</u>

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

III. CAPITAL ASSETS (Concluded)

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

	For The Year Ended September 30, 2009	
Governmental Activities:		
Administration	\$	60,633
Court		254
Building department		11,203
Police		87,293
Culture and dispatch		1,418
Fire		100,667
Street		467,765
Emergency Management		17,066
Non-Departmental		16,669
Health		6,782
Library		25,734
Parks		93,597
Vehicle		-
Total Depreciation Expense – Governmental Activities	\$	889,081
Business-type activities:		
Airport		18,964
Water and sewer		346,040
Total Depreciation Expense – Business-type Activities	\$	365,004

IV. LONG-TERM DEBT

Long-term liability activity was as follows:

	Balance September 30, 2008	For The Year Ended September 30, 2009			Balance September 30, 2009	Amounts Due Within One Year
		Additions	Reductions			
Governmental activities:						
Capital leases (LTD Fund)	\$ 1,664,313	\$ 350,000	\$ (159,236)	\$ 1,855,077	\$ 140,310	
Neighborhood Improvement District bonds	534,207	-	(28,876)	505,331	28,875	
Certificates of Participation (LTD Fund)	160,000	-	(40,000)	120,000	40,000	
Less: Discount	(1,294)	576	-	(718)	-	
Notes payable (LTD Fund)	3,186,637	-	(30,689)	3,155,948	-	
Total Governmental Activities Debt	\$ 5,543,863	\$ 350,576	\$ (258,801)	\$ 5,635,638	\$ 209,185	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

IV. LONG-TERM DEBT (Continued)

	<u>For The Year Ended September 30, 2009</u>				
	Balance September 30, 2008	Additions	Reductions	Balance September 30, 2009	Amounts Due Within One Year
Business-type activities:					
Revenue bonds (Water Fund)	\$ 7,530,000	\$ -	\$ (505,000)	\$ 7,025,000	\$ 510,000
Plus: Premium	176,470	-	(12,166)	164,304	-
Less: On Refunding Neighborhood Improvement	(218,832)	19,451	-	(199,381)	-
District Bonds	205,801	-	(11,124)	194,677	11,124
Certificates of Participation (Water Fund)	995,000	-	(40,000)	955,000	40,000
Less: Discount	(11,536)	669	-	(10,867)	-
Note payable (Water Fund)	2,697,995	-	(160,998)	2,536,997	136,857
Total Business-type Activities Debt	<u>\$ 11,374,898</u>	<u>\$ 20,120</u>	<u>\$ (729,288)</u>	<u>\$ 10,665,730</u>	<u>\$ 697,981</u>

Capital Leases

September 30,
2009

Governmental Activities:

Capital lease \$65,405 for police cars 2008, due in annual installments through April 8, 2010, interest payable at 5.60%.	\$ 21,780
Capital lease \$1,600,000 for library project, due in monthly installments through July 1, 2028, interest payable at 4.85%.	1,542,658
Capital lease \$350,000 for 2008 fire truck, due in monthly installments through October 1, 2013, interest payable at 3.750%	<u>290,639</u>
	<u>\$ 1,855,077</u>

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

IV. LONG-TERM DEBT (Continued)

Capital Leases (Continued)

Business-type Activities:

There were no business-type capital leases for the year ended September 30, 2009.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Assets:		
Automobile equipment	\$ 418,999	\$ -
Building (Library Project)	1,600,000	-
Less – Payments/Reductions	<u>(163,922)</u>	<u>-</u>
Total	<u>\$ 1,855,077</u>	<u>\$ -</u>

A schedule of future minimum lease payments under the capital leases and the present value of the net minimum lease payments as of September 30, 2009 is as follows:

For The Years Ending September 30,	Governmental Activities	Business-type Activities	Total
2010	\$ 224,969	\$ -	\$ 224,969
2011	201,969	-	201,969
2012	201,969	-	201,969
2013	201,969	-	201,969
2014	131,499	-	131,499
2015-2019	625,461	-	625,461
2020-2024	625,461	-	625,461
2025-2028	<u>479,520</u>	<u>-</u>	<u>479,520</u>
Total Minimum Lease Payments	2,692,817	-	2,692,817
Less – Amount representing interest	<u>(837,740)</u>	<u>-</u>	<u>(837,740)</u>
Present Value Of Future Minimum Lease Payments	<u>\$ 1,855,077</u>	<u>\$ -</u>	<u>\$ 1,855,077</u>

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

IV. LONG-TERM DEBT (Continued)

Neighborhood Improvement District Bonds

The total amount of the Neighborhood Improvement District Bonds Series 2002 is \$875,000. This amount is split between the governmental activities and the business-type activities.

**September 30,
2009**

Governmental Activities:

\$631,654 Neighborhood Improvement District Limited General Obligation Bonds, Series 2002, due in annual installments through March 1, 2022, interest payable at 3% to 5.55%. \$ 505,331

Business-type Activities

\$243,346 Neighborhood Improvement District Limited General Obligation Bonds, Series 2002, due in annual installments through March 1, 2022, interest payable at 3% to 5.55%. \$ 194,677

Annual debt service requirements to maturity for the Neighborhood Improvement District Bonds are as follows:

For The Years Ended September 30	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 28,876	\$ 25,382	\$ 54,258	\$ 11,124	\$ 9,778	\$ 20,902
2011	28,876	24,082	52,958	11,124	9,278	20,402
2012	32,486	22,702	55,188	12,515	8,745	21,260
2013	32,486	21,200	53,686	12,515	8,167	20,682
2014	32,485	19,632	52,117	12,514	7,563	20,077
2015-2019	198,522	69,616	268,138	76,477	26,818	103,295
2020-2023	151,600	13,021	164,621	58,408	5,016	63,424
	-	-	-	-	-	-
	<u>\$ 505,331</u>	<u>\$ 195,635</u>	<u>\$ 700,966</u>	<u>\$ 194,677</u>	<u>\$ 75,365</u>	<u>\$ 270,042</u>

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

IV. LONG-TERM DEBT (Continued)

Certificates of Participation

The total amount of the Certificates of Participation, Series 2005, is \$1,300,000. This amount is split between the governmental activities and the business-type activities.

**September 30,
2009**

Governmental Activities:

\$230,000 Certificates of Participation, Series 2005, due in annual installments through December 1, 2010, interest payable at 3.4% to 3.9%. \$ 120,000

Business-type Activities

\$1,070,000 Certificates of Participation, Series 2005, due in annual installments through December 1, 2025, interest payable at 3.4% to 4.5%. \$ 955,000

Annual debt service requirements to maturity for the Certificates of Participation are as follows:

For The Years Ended September 30	<u>Governmental Activities</u>			<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 40,000	\$ 3,800	\$ 43,800	\$ 40,000	\$ 39,727	\$ 79,727
2011	80,000	1,560	81,560	40,000	38,268	78,268
2012	-	-	-	45,000	36,610	81,610
2013	-	-	-	45,000	34,855	79,855
2014	-	-	-	45,000	33,100	78,100
2015-2019	-	-	-	260,000	134,705	394,705
2020-2024	-	-	-	325,000	72,364	397,364
2025-2028	-	-	-	155,000	7,087	162,087
	\$ <u>120,000</u>	\$ <u>5,360</u>	\$ <u>125,360</u>	\$ <u>955,000</u>	\$ <u>396,716</u>	\$ <u>1,351,716</u>

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

IV. LONG-TERM DEBT (Continued)

September 30, 2009

Governmental Activities:

The City has entered into an agreement on February 26, 2003 for the development of a Lowe's Store within the City limits. Whereas, the City has agreed to reimburse Lowe's a portion of certain City and State infrastructure costs for up to a maximum aggregate amount of \$1,800,000 plus interest until the company either receives the total amount of the final project costs or fifteen (15) years from the full execution of this agreement. The City is to deposit 50% of the 1.5% sales tax generated from the business into a special allocation fund to be released on a quarterly basis. \$ 1,384,160

The City has entered into agreement on June 25, 2003 with Home Depot for the redevelopment of the Gannon Plaza Area in the City limits to include a Home Depot store. Whereas, the City has agreed to reimburse Home Depot a portion of site preparation costs and City improvements for up to a maximum aggregate amount of \$1,800,000 plus interest until the company either receives the total amount of the final project costs or fifteen (15) years from the full execution of this agreement. A portion of the amount to be reimbursed will be comprised of sales tax reimbursement and a portion will be comprised of tax abatement. The City shall deposit 50% of the 1% sales tax generated within the redeveloped area, less the base taxable sales, into the special allocation fund to be released on an annual basis. \$ 1,771,788

\$ 3,155,948

September 30, 2009

Business-type Activities:

Revenue Bonds Payable

\$3,960,000 Revenue Bonds, Series 2003, due in annual installments through July 1, 2019, interest payable at 3.036%. \$ 2,350,000

\$3,575,000 Revenue Bonds, Series 2002B, due in annual installments through July 2023, interest payable at 2.05% to 5.5%. 3,010,000

\$1,885,000 Revenue Bonds, Series 2001C, due in annual installments through July 1, 2022, interest payable at 3% to 5.375%. 1,665,000

\$ 7,025,000

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

IV. LONG-TERM DEBT (Continued)

Notes Payable

\$300,000 note payable for Pound Sewer Project, due in monthly installments through January 2009, interest payable at 5.32%, secured by fire truck.	\$	-
State Revolving Fund (SRF) – 2001C, no interest		306,690
State Revolving Fund (SRF) – 2002B, no interest		2,230,307
	\$	2,536,997

The debt maturity of the bonds, excluding amount maturing after September 30, 2009, which were remitted prior to the current fiscal year-end and the SRF note, are as follows:

<u>For The Years Ended September 30</u>	<u>Revenue Bonds</u>			<u>Notes Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 510,000	\$ 315,984	\$ 825,984	\$ 136,857	\$ -	\$ 136,857
2011	540,000	296,190	836,190	142,025	-	142,025
2012	550,000	275,362	825,362	147,139	-	147,139
2013	560,000	253,638	813,638	153,039	-	153,039
2014	580,000	230,897	810,897	155,072	-	155,072
2015-2019	2,690,000	787,087	3,477,087	913,719	-	913,719
2020-2024	1,595,000	181,500	1,776,500	889,146	-	889,146
2025-2028	-	-	-	-	-	-
	\$ 7,025,000	\$ 2,340,658	\$ 9,365,658	\$ 2,536,997	\$ -	\$ 2,536,997

In conjunction with SRF – 2001C and 2002B notes, a reserve account has been established with a non-interest loan funded with federal capitalization grants and matching funds from the State of Missouri.

When fully funded, this loan (reserve account) will be funded in an amount equal to 33.33% for the Series 2001C and 70% for the Series 2002B of the outstanding principal amount of such bonds. The reserve account is held in trust. As the principal amount of such bonds is repaid, the amount held in the reserve account will be reduced such that the reserve account will equal 33.33% and 70%, respectively, of the remaining principal balance of such bonds.

The \$4,450,000 Series 2003 Revenue Bonds are in the name of the City. The Jefferson County Water Authority (the Authority) is using \$490,000 debt proceeds for construction costs and intends to pay the future debt service payments. Therefore, \$490,000 of the debt has been recorded on the books of the Authority.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

V. EMPLOYEE RETIREMENT PLAN

1. Plan Description

The City participates in 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 by statute, Section RSMo 70.600 – 70.555. As such, it is LAGER’S 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 401 (a) 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 Status

The City’s full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 9.8% (general) and 9.0% (police) and 17.2% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

3. Annual Pension Cost

For 2009, the City’s annual pension cost of \$374,521 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2007 and/or February 29, 2008 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2009, 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 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males 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 29, 2009 was 15 years.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

V. EMPLOYEE RETIREMENT PLAN (Continued)

Three-year trend information follows:

For The Years Ended June 30	Annual Pension Cost (APC)	Percentage Of APC Contributed
2007	\$ 261,155	100%
2008	332,731	100%
2009	374,521	100%

Schedule of funding progress follows:

For The Valuation Years Ended February 28/29	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability	Unfunded Accrued Liability (UAL)
2007	\$ 6,710,668	\$ 6,550,142	\$ (160,526)
2008	6,851,702	7,467,025	615,323
2009	5,909,305	8,147,421	2,238,116

For The Valuation Years Ended February 28/29	Funded Ratio	Annual Covered Payroll	Excess Assets As A Percentage Of Covered Payroll
2007	102%	\$ 3,480,449	-%
2008	92%	3,582,175	17%
2009	73%	3,809,759	59%

Note: 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 FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

VI. DUE FROM AND DUE TO OTHER FUNDS

There were no due from/due to other fund balances at September 30, 2009. Balances in the Library Fund of (\$393,605), NID Assessment Fund of (\$228) and General Fund of \$393,833 have been eliminated upon consolidation in the government-wide financial statements.

VII. INTERFUND TRANSFERS

Individual fund transfers are as follows:

<u>Fund</u>		<u>Transfers In</u>	<u>Transfers Out</u>
Governmental	General Fund	\$ 331,985	\$ 95,448
Activities:	Nonmajor Funds- Capital Reserve	25,000	331,585
	Nonmajor Funds – Library	69,850	
	Nonmajor Funds- Park	310,997	-
	Nonmajor Funds- Storm Water Tax	-	300,997
	Nonmajor Funds- Public Works	435	835
	Nonmajor Funds- LLEB	598	-
	Nonmajor Funds- Capital Improvement	-	632,700
	Nonmajor Funds – Tourism Tax	-	10,000
	City Transportation	-	4,122
	NID Assessment	4,122	-
	Total Governmental Activities	<u>742,987</u>	<u>1,375,687</u>
Business Type	Proprietary Fund- Water & Sewer	632,700	-
Activities:		<u>\$ 632,700</u>	<u>\$ -</u>
	Total Transfers	<u>\$ 1,375,687</u>	<u>\$ 1,375,687</u>

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 restricted 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.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

VIII. INSURANCE

The City is a member of the Missouri Intergovernmental Risk Management Association (MIRMA), a state-wide governmental self-insurance pool which provides property, liability, and worker's compensation coverages to its participating members in a single comprehensive multiline package. The various lines of coverage are not available individually and the membership is limited to municipalities and municipally owned utilities. The City's policy covers all real and personal property owned by the City except sewer lines. The policy is for replacement cost and expires June 30, 2010. MIRMA is funded by annual member assessments calculated at a rate per \$100 of annual payroll which applies to all lines of coverage on a composite basis. These funds are used to pay losses within specific risk retention limits shared equally by all members; purchase excess insurance which provides a transfer of catastrophic risk to private insurance carriers; purchase services such as claims administration, loss prevention, and data processing; and pay administrative expenses. Should actual insurance losses exceed MIRMA's estimates, the City could be required to contribute additional funds. Management believes the risk of additional loss is minimal and any additional contributions that may be required would not materially impact the overall operations of the City. The City paid an assessment totaling \$356,504 for MIRMA's fiscal year ended June 30, 2010. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

IX. LITIGATION

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed and determinable in amount. At this time, a reasonable estimate as to the amount or range of potential loss and/or gain cannot be provided.

X. FESTUS-CRYSTAL CITY SEWAGE TREATMENT COMMISSION

The City of Festus and the City of Crystal City, Missouri participate in the Festus-Crystal City Sewage Treatment Commission (the Commission) which was formed for the purpose of operating and maintaining a sewage treatment facility for the two cities. Both City Councils appoint two members to the Commission. The City of Festus is committed to pay monthly to the Commission an amount equal to 61 - 63% of the previous month's costs of operation and maintenance of the shared facility and repairs and replacements of equipment. City of Crystal City is committed to pay the remaining 37 - 39% of described costs. Complete financial statements of the Commission can be obtained directly from its administrative offices. The City accounts for its participation in this joint venture under the equity method of accounting to reflect its 61 - 63% ownership of the Commission. The City's interest in the joint venture at September 30, 2009 is \$4,250,886 and its share of the Commission's net loss before adding back depreciation assets financed by grants from other governments is \$162,657. For the year ended September 30, 2009, the City's cost for sewage treatment services provided by the Commission was \$269,333, which includes the City's share of operating expenses, capital, and reserve.

The following paragraph is unaudited:

The Commission maintains its accounts on the cash basis. Total assets and equity of the Commission at September 30, 2009 were both \$27,361. Commission management stated that no long-term liabilities were outstanding at September 30, 2009. For the year ended September 30, 2009, total receipts and disbursements were \$160,322 and \$160,197, respectively, resulting in a net increase in the Commission's equity of \$125.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

XI. CONCENTRATION

The City entered into a water rate agreement to purchase water from the Jefferson County Water Authority.

XII. POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note V, the City allows employees who retire from the City to participate in the City's health, dental and vision insurance plans. Upon meeting the retirement requirements of LAGERS, the employees can elect to participate in the City's plans. The City pays for employee premiums for five years or until they reach age 65, but employees must pay for 100% of their spouse or dependents coverage for each plan they elect to participate. Future retirees will not be allowed to cover their spouse or dependents beyond the COBRA allowed time period. The difference between the amount the retiree is required to pay and the actual cost to the City is considered to be a post employment benefit. The City has not established an irrevocable trust fund for the accumulation of resources for the future payment of benefits under the plan; benefits are paid on a pay-as-you-go basis. A stand alone financial report is not available for the plan. During the year ended September 30, 2009, 7 retirees and 4 retirees' spouses participated in the City's insurance plans and paid premiums totaling \$34,529.

XIII. SUBSEQUENT EVENTS

On April 16, 2010, two bids were received for the sale of the existing airport land and buildings, and on April 21, 2010 the Council authorized the City Administrator to proceed with negotiation to finalize the sale. On May 12, 2010, the Council authorized the Mayor to enter into and execute the contract for the sale of the airport property for \$2,250,000.

XIV. JOINT VENTURE

The City of Festus entered into a joint venture with the City of Herculaneum to form the Jefferson County Water Authority (JCWA) in January 2000 to provide water to the two city's residents. It has been determined that the JCWA is a joint venture with no equity interest, as defined under GASB Statement No. 14.

The JCWA is governed by an eight member board which is appointed by the City of Festus and the City of Herculaneum. Each City appoints four members to the JCWA board. The JCWA is designed to be self-sufficient.

The Authority currently makes a portion of debt service payments for the City of Festus Water Works and Sewerage Revenue Refunding Bond Series 2003. Separate financial statements are prepared for the Jefferson County Water Authority and may be obtained by contacting the City of Festus.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET & ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUES	Budgeted Amounts		Actual	Variance with Final Budget Over (Under)
	Original	Final		
Property taxes	239,592	259,740	270,517	10,777
Taxes - other	3,649,500	3,671,500	3,615,193	(56,307)
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Grant revenue	20,000	41,300	44,642	3,342
Licenses and permits	266,100	266,100	264,289	(1,811)
Fines and penalties	277,600	568,600	618,340	49,740
Investment income	32,000	32,000	29,851	(2,149)
Other	28,838	28,838	60,054	31,216
Service charges	803,529	803,529	850,474	46,945
Total Revenues	<u>5,317,159</u>	<u>5,671,607</u>	<u>5,753,360</u>	<u>81,753</u>
EXPENDITURES				
Current:				
Administration	550,885	561,135	530,710	(30,425)
Court	173,076	173,076	154,483	(18,593)
Building department	339,913	369,973	356,054	(13,919)
Police	2,171,925	2,195,225	2,048,403	(146,822)
Dispatch	474,607	474,607	443,291	(31,316)
Fire	325,618	325,618	234,214	(91,404)
Emergency management	16,355	16,355	5,109	(11,246)
Street	412,543	412,543	381,384	(31,159)
Nondepartmental	913,100	913,100	926,837	13,737
Capital outlay	740,866	674,606	619,069	(55,537)
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>6,118,888</u>	<u>6,116,238</u>	<u>5,699,554</u>	<u>(416,684)</u>
REVENUES OVER (UNDER) EXPENDITURES	(801,729)	(444,631)	53,806	498,437
OTHER FINANCING SOURCES				
Transfers in	331,150	331,150	331,985	835
Transfers out	(96,350)	(96,350)	(95,448)	902
Total Other Financing Sources (Uses)	<u>234,800</u>	<u>234,800</u>	<u>236,537</u>	<u>1,737</u>
NET CHANGE IN FUND BALANCE	<u>(566,929)</u>	<u>(209,831)</u>	290,343	<u>500,174</u>
FUND BALANCE, OCTOBER 1			2,183,211	
PRIOR PERIOD ADJUSTMENT			-	
FUND BALANCE, SEPTEMBER 30			<u><u>2,473,554</u></u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
CITY TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
REVENUES				
Taxes - Other	1,206,000	1,206,000	1,154,502	(51,498)
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Grant revenue	-	-	-	-
Licenses and Permits	1,000	1,000	3,000	2,000
Fines and penalties	-	-	-	-
Investment income	40,000	40,000	30,099	(9,901)
Other	2,000	2,000	1,906	(94)
Total Revenues	<u>1,249,000</u>	<u>1,249,000</u>	<u>1,189,507</u>	<u>(59,493)</u>
EXPENDITURES				
Current:				
Street	1,023,520	1,023,520	666,346	(357,174)
Capital outlay	292,500	292,500	351,626	59,126
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>1,316,020</u>	<u>1,316,020</u>	<u>1,017,972</u>	<u>(298,048)</u>
REVENUES OVER (UNDER) EXPENDITURES	(67,020)	(67,020)	171,535	238,555
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	(4,123)	(4,123)	(4,122)	1
Total Other Financing Sources (Uses)	<u>(4,123)</u>	<u>(4,123)</u>	<u>(4,122)</u>	<u>1</u>
NET CHANGE IN FUND BALANCE	<u>(71,143)</u>	<u>(71,143)</u>	167,413	<u>238,556</u>
FUND BALANCES, OCTOBER 1			2,329,188	
FUND BALANCES, SEPTEMBER 30			<u>2,496,601</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
COUNTY TRANSPORTATION SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	Budgeted Amounts		Actual	Over
	Original	Final		(Under)
REVENUES				Budget
Taxes	550,000	550,000	836,576	286,576
Intergovernmental			-	-
Grant revenue	972,741	972,741	-	(972,741)
Fines and penalties	-	-	-	-
Investment income	2,000	2,000	390	(1,610)
Other	-	-	1,465	1,465
Total Revenues	<u>1,524,741</u>	<u>1,524,741</u>	<u>838,431</u>	<u>(686,310)</u>
EXPENDITURES				
Current:				
Public works	-	-	-	-
Capital outlay	1,940,580	1,672,741	837,916	(834,825)
Total Expenditures	<u>1,940,580</u>	<u>1,672,741</u>	<u>837,916</u>	<u>(834,825)</u>
REVENUES OVER (UNDER) EXPENDITURES	(415,839)	(148,000)	515	148,515
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(415,839)</u>	<u>(148,000)</u>	515	<u>148,515</u>
FUND BALANCES, OCTOBER 1			228,922	
FUND BALANCES, SEPTEMBER 30			<u>229,437</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - NID ASSESSMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	49,937	49,937	50,511	574
Grant revenue	-	-	-	-
Fines and penalties	-	-	-	-
Investment income	300	300	801	501
Other	-	-	-	-
Total Revenues	<u>50,237</u>	<u>50,237</u>	<u>51,312</u>	<u>1,075</u>
EXPENDITURES				
Current:				
Nondepartmental	750	750	1,018	268
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	26,681	26,681	26,573	(108)
Principal	28,876	28,876	-	(28,876)
Total Expenditures	<u>56,307</u>	<u>56,307</u>	<u>27,591</u>	<u>(28,716)</u>
REVENUES OVER (UNDER) EXPENDITURES	(6,070)	(6,070)	23,721	29,791
OTHER FINANCING SOURCES (USES)				
Transfers in	3,945	3,945	4,122	177
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>3,945</u>	<u>3,945</u>	<u>4,122</u>	<u>177</u>
NET CHANGE IN FUND BALANCE	<u>(2,125)</u>	<u>(2,125)</u>	27,843	29,968
FUND BALANCES, OCTOBER 1			(516,159)	
PRIOR PERIOD ADJUSTMENT			-	
FUND BALANCES, SEPTEMBER 30			<u>(488,316)</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION –
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2009

Explanation of Budgetary Process

Budgets are adopted on an accrual basis. An annual appropriated budget is adopted for the governmental funds except proceeds from notes payable and related expenses. All annual appropriations lapse at fiscal year-end.

In August, all departments submit requests for appropriation to the City's budget committee so that a budget may be prepared. The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. During September, the budget is presented to the City Council for review. Prior to October 1, the budget is enacted by City Council through passage of an ordinance. Expenditures may not legally exceed budgeted appropriations at the activity level. Budgeted amounts in the accompanying financial statements include transfers and revisions to the original budget ordinance. The City Administrator is authorized to transfer appropriations between budget line items within departments. The City Council must approve transfers between funds and departments.

The Library and NID Assessment funds have a negative fund balance due to debt.

FEDERAL COMPLIANCE SECTION



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

Honorable Mayor and
City Council
City of Festus, Missouri

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Festus, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 12, 2010. Our report was qualified due to the City not implementing GASB 45. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting 2009-01 and 2009-02.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Festus' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2009-03.

We noted certain matters that we reported to management of the City of Festus in a separate letter dated May 12, 2010.

Management's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit management's response and, accordingly, we express no opinion on it.

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

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

May 12, 2010

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. CURRENT YEAR FINANCIAL STATEMENT FINDINGS

Finding: 2009-01:

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters In An Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Cause: The City of Festus, Missouri did not prepare the required documentation.

Condition: Documentation of the components of internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the City may not be able to ensure that controls are in place, communicated and operating effectively.

Recommendation: We recommend that the City develop the required internal control documentation. In addition, we recommend referring to the COSO internal control guidance and tools as a means to begin the process.

Management's Response: Management continues to recognize the importance of documenting the City's internal controls, however due to time constraints on personnel this past year and budgetary constraints to hire an outside firm, we have been unable to get the internal control documentation up to SAS 112 standards.

Finding: 2009-02:

Criteria: All cash and investments held by financial institutions must be secured through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Condition: The City holds a bank account with a financial institution that was under collateralized by \$3,336.

Effect: There is a risk that the City's under collateralized balance may not be returned to the City because the balance is not covered under FDIC or other pledged securities.

Recommendation: We recommend that the City periodically review all account balances to ensure they are fully secured.

Management's Response: The City has corrected this and this account now is collateralized. In the future, the City will review the bank documentation to make sure that all accounts have proper authorization.

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2009

I. CURRENT YEAR FINANCIAL STATEMENT FINDINGS (CONCLUDED)

Finding: 2009-03:

Criteria: Governmental Accounting Standards Board Statement No. 45, “*Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions,*” is effective for periods ending on or after December 15, 2008.

Cause: The City of Festus has not obtained an actuarial valuation of its other post employment benefits (OPEB).

Condition: An actuarial valuation has not been obtained for other post employment benefits.

Effect: Liabilities could be understated due to not recording OPEB liability in the financial statements.

Recommendation: We recommend the City of Festus obtain an actuarial valuation of its other post employment benefits to be in compliance with GASB 45.

Management’s Response: Prior management determined that with budgetary constraints the value of the actuarial valuation of the other post employment benefits did not warrant the cost. The City will go out for RFP for actuarial services and will re-evaluate the benefits versus the cost for next year.

II. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Finding: 2008-01

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters In An Audit*, which is effective for periods ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Cause: Due to the short time frame for the implementation of the new SAS requirement, the City of Festus, Missouri did not prepare the required documentation.

Condition: Documentation of the components of internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the City may not be able to ensure that controls are in place, communicated and operating effectively.

Recommendation: We recommend that the City develop the required internal control documentation. In addition, we recommend referring to the COSO internal control guidance and tools as a means to begin the process.

Management’s Response: Management recognizes the importance of documenting the City’s internal controls and has begun to prepare the appropriate documentation.

Status: Corrections have not been implemented.

SUPPLEMENTARY INFORMATION

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION - COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2009

SPECIAL REVENUE FUNDS													
ASSETS	Health	Library	Park	Capital Reserve	Law Enforcement Training	Public Works Building Rehabilitation	Storm Water Tax	Tourism Tax	Local Law Enforcement Block Grant	Sales Tax Reimbursement	Federal Forfeiture	Capital Improvement	Totals
Cash and cash equivalents	103,425	187,205	113,022	66,038	8,458	-	322,297	95,970	-	104,336	6,580	184,244	1,191,575
Investments	100,000	30,000	191,749	374,377	-	-	350,000	155,000	-	-	-	-	1,201,126
Restricted cash	-	-	-	-	-	-	908	-	-	-	-	-	908
Restricted investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles):													
Taxes	5,674	7,579	56,301	-	-	-	97,443	21,655	-	24,387	-	97,323	310,362
Special Assessments	460	-	-	-	-	-	-	-	-	-	-	-	460
Interest	302	81	620	1,983	-	-	1,224	314	-	-	-	-	4,524
Other	7,427	2,980	93,538	-	3,493	-	9,307	-	-	-	-	-	116,745
Grants	-	-	-	-	-	-	-	-	23,130	-	-	-	23,130
Prepaid Items	2,998	8,161	12,422	-	-	-	586	-	-	-	-	-	24,167
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>220,286</u>	<u>236,006</u>	<u>467,652</u>	<u>442,398</u>	<u>11,951</u>	<u>-</u>	<u>781,765</u>	<u>272,939</u>	<u>23,130</u>	<u>128,723</u>	<u>6,580</u>	<u>281,567</u>	<u>2,872,997</u>
LIABILITIES													
Accounts Payable	1,961	(6,104)	93,254	-	-	-	122,289	-	23,130	-	-	-	234,530
Accrued payroll	2,676	5,714	8,482	-	-	-	450	-	-	-	-	-	17,322
Accrued payroll liabilities - other	1,286	1,013	2,725	-	-	-	194	-	-	-	-	-	5,218
Due to other funds	-	393,605	-	-	-	-	-	-	-	-	-	-	393,605
Deferred revenue	4,698	20,466	6,276	-	-	-	3,000	-	-	-	-	-	34,440
Accrued interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	1,320	-	-	-	18,614	-	-	-	-	18,614	38,548
Noncurrent liabilities:													
Due Within One Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Due in More Than one Year	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>10,621</u>	<u>414,694</u>	<u>112,057</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,547</u>	<u>-</u>	<u>23,130</u>	<u>-</u>	<u>-</u>	<u>18,614</u>	<u>723,663</u>
FUND BALANCE													
Reserved for:													
Prepaid items	2,998	8,161	12,422	-	-	-	586	-	-	-	-	-	24,167
Encumbrances	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved:													
Special revenue funds	206,667	(186,849)	343,173	442,398	11,951	-	636,632	272,939	-	128,723	6,580	262,953	2,125,167
Total Fund Balance	<u>209,665</u>	<u>(178,688)</u>	<u>355,595</u>	<u>442,398</u>	<u>11,951</u>	<u>-</u>	<u>637,218</u>	<u>272,939</u>	<u>-</u>	<u>128,723</u>	<u>6,580</u>	<u>262,953</u>	<u>2,149,334</u>
Total Liabilities and Fund Balance	<u>220,286</u>	<u>236,006</u>	<u>467,652</u>	<u>442,398</u>	<u>11,951</u>	<u>-</u>	<u>781,765</u>	<u>272,939</u>	<u>23,130</u>	<u>128,723</u>	<u>6,580</u>	<u>281,567</u>	<u>2,872,997</u>

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION - STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
AS OF SEPTEMBER 30, 2009

SPECIAL REVENUE FUNDS													
REVENUE	Health	Library	Park	Capital Reserve	Law Enforcement Training	Public Works Building Rehabilitation	Storm Water Tax	Tourism Tax	Local Law Enforcement Block Grant	Sales Tax Reimbursement	Federal Forfeiture	Capital Improvement	Totals
Property taxes	140,501	187,685	187,684	-	-	-	-	-	-	-	-	-	515,870
Taxes - other	-	-	-	-	-	-	601,997	93,050	-	229,683	-	601,232	1,525,962
Intergovernmental	-	-	-	-	9,970	-	-	-	-	-	-	-	9,970
Special Assessments	-	-	-	-	-	-	-	-	-	-	-	-	-
Grant Revenue	-	14,695	10,000	-	3,493	-	-	-	74,767	-	-	-	102,955
Fines and penalties	2,954	31,282	1,832	-	-	-	-	-	-	-	-	-	36,068
Investment income	2,725	1,319	5,556	10,331	11	1	8,395	4,789	2	146	3	725	34,003
Building Lease Payments	-	74,000	-	-	-	-	-	-	-	-	-	-	74,000
Other	4,312	401,919	119,841	-	75	-	2,199	-	-	-	6,578	-	534,924
Total Revenues	150,492	710,900	324,913	10,331	13,549	1	612,591	97,839	74,769	229,829	6,581	601,957	2,833,752
EXPENDITURES													
Current:													
Police	-	-	-	-	4,828	-	-	-	-	-	799	-	5,627
Health	104,863	-	-	-	-	-	-	-	-	-	-	-	104,863
Library	-	255,407	-	-	-	-	-	-	-	-	-	-	255,407
Parks	-	-	439,962	-	-	-	-	-	-	-	-	-	439,962
Street	-	-	-	-	-	-	-	-	-	-	-	-	-
Nondepartmental	-	-	-	-	-	-	36,437	-	-	230,198	-	-	266,635
Capital outlay	608	549,108	147,526	-	-	-	271,643	44,225	75,367	-	421	-	1,088,898
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	76,115	-	-	-	-	-	-	-	-	-	-	76,115
Total Expenditures	105,471	880,630	587,488	-	4,828	-	308,080	44,225	75,367	230,198	1,220	-	2,237,507
REVENUES OVER (UNDER) EXPENDITURES	45,021	(169,730)	(262,575)	10,331	8,721	1	304,511	53,614	(598)	(369)	5,361	601,957	596,245
OTHER FINANCING SOURCES (USES)													
Lease purchase proceeds	-	20,491	-	-	-	-	-	-	-	-	-	-	20,491
Transfers in	-	69,850	310,997	25,000	-	435	-	-	598	-	-	-	406,880
Transfers out	-	-	-	(331,585)	-	(835)	(300,997)	(10,000)	-	-	-	(632,700)	(1,276,117)
Total Other Financing Sources (Uses)	-	90,341	310,997	(306,585)	-	(400)	(300,997)	(10,000)	598	-	-	(632,700)	(848,746)
NET CHANGE IN FUND BALANCE	45,021	(79,389)	48,422	(296,254)	8,721	(399)	3,514	43,614	-	(369)	5,361	(30,743)	(252,501)
FUND BALANCES (DEFICIT), OCTOBER 1, 2008	164,644	(99,299)	307,173	738,652	3,230	399	633,704	229,325	-	129,092	1,219	293,696	2,401,835
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
RESTATED FUND BALANCE (DEFICIT) OCT. 1	164,644	(99,299)	307,173	738,652	3,230	399	633,704	229,325	-	129,092	1,219	293,696	2,401,835
FUND BALANCES, SEPTEMBER 30, 2009	209,665	(178,688)	355,595	442,398	11,951	-	637,218	272,939	-	128,723	6,580	262,953	2,149,334

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - HEALTH SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	124,341	124,341	140,501	16,160
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	-	-	-	-
Fines and penalties	1,800	1,800	2,954	1,154
Investment income	2,000	2,000	2,725	725
Other	1,000	1,000	4,312	3,312
Total Revenues	<u>129,141</u>	<u>129,141</u>	<u>150,492</u>	<u>21,351</u>
EXPENDITURES				
Current:				
Health	126,547	126,547	104,863	(21,684)
Capital expenditures	900	900	608	(292)
Total Expenditures	<u>127,447</u>	<u>127,447</u>	<u>105,471</u>	<u>(21,976)</u>
REVENUES OVER (UNDER) EXPENDITURES	1,694	1,694	45,021	43,327
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>1,694</u>	<u>1,694</u>	45,021	<u>43,327</u>
FUND BALANCES, OCTOBER 1			164,644	
FUND BALANCES, SEPTEMBER 30			<u>209,665</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	166,153	166,153	187,685	21,532
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant Revenue	12,813	12,813	14,695	1,882
Fines and penalties	19,000	19,000	31,282	12,282
Investment income	2,000	2,000	1,319	(681)
Building lease payments	72,000	72,000	74,000	2,000
Other	90,000	90,000	401,919	311,919
Total Revenues	<u>361,966</u>	<u>361,966</u>	<u>710,900</u>	<u>348,934</u>
EXPENDITURES				
Current:				
Library	293,070	293,070	255,407	(37,663)
Capital expenditures	1,619,100	1,619,100	549,108	(1,069,992)
Debt Service:				
Principal	48,978	48,978	-	(48,978)
Interest and fiscal charges	76,116	76,116	76,115	(1)
Total Expenditures	<u>2,037,264</u>	<u>2,037,264</u>	<u>880,630</u>	<u>(1,156,634)</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,675,298)	(1,675,298)	(169,730)	1,505,568
OTHER FINANCING SOURCES (USES)				
Lease purchase proceeds	1,600,000	1,600,000	20,491	(1,579,509)
Transfers in	83,100	83,100	69,850	(13,250)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,683,100</u>	<u>1,683,100</u>	<u>90,341</u>	<u>(1,592,759)</u>
NET CHANGE IN FUND BALANCE	<u>7,802</u>	<u>7,802</u>	(79,389)	(87,191)
FUND BALANCES, OCTOBER 1			(99,299)	
FUND BALANCES (DEFECIT), SEPTEMBER 30			<u>(178,688)</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - PARK SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	166,153	166,153	187,684	21,531
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	-	10,000	10,000	-
Fines and penalties	1,000	1,000	1,832	832
Investment income	4,000	4,000	5,556	1,556
Other	45,550	45,550	119,841	74,291
Total Revenues	<u>216,703</u>	<u>226,703</u>	<u>324,913</u>	<u>98,210</u>
EXPENDITURES				
Current:				
Parks	522,163	522,163	439,962	(82,201)
Capital expenditures	<u>103,540</u>	<u>113,540</u>	<u>147,526</u>	<u>33,986</u>
Total Expenditures	<u>625,703</u>	<u>635,703</u>	<u>587,488</u>	<u>(48,215)</u>
REVENUES OVER (UNDER) EXPENDITURES	(409,000)	(409,000)	(262,575)	146,425
OTHER FINANCING SOURCES (USES)				
Transfers in	325,850	325,850	310,997	(14,853)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>325,850</u>	<u>325,850</u>	<u>310,997</u>	<u>(14,853)</u>
NET CHANGE IN FUND BALANCE	<u>(83,150)</u>	<u>(83,150)</u>	48,422	<u>131,572</u>
FUND BALANCES, OCTOBER 1			307,173	
FUND BALANCES, SEPTEMBER 30			<u>355,595</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - CAPITAL RESERVE SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	-	-	-	-
Fines and penalties	-	-	-	-
Investment income	10,000	10,000	10,331	331
Other	-	-	-	-
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,331</u>	<u>331</u>
EXPENDITURES				
Capital expenditures	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	10,000	10,000	10,331	331
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	25,000	25,000	-
Transfers out	<u>(21,200)</u>	<u>(344,833)</u>	<u>(331,585)</u>	<u>13,248</u>
Total Other Financing Sources (Uses)	<u>78,800</u>	<u>(319,833)</u>	<u>(306,585)</u>	<u>13,248</u>
NET CHANGE IN FUND BALANCE	<u>88,800</u>	<u>(309,833)</u>	(296,254)	<u>13,579</u>
FUND BALANCES, OCTOBER 1			738,652	
FUND BALANCES, SEPTEMBER 30			<u>442,398</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - LAW ENFORCEMENT TRAINING SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	-	-	-	-
Intergovernmental	2,000	7,400	9,970	2,570
Special Assessments	-	-	-	-
Grant revenue	2,000	2,000	3,493	1,493
Fines and penalties	-	-	-	-
Investment income	50	50	11	(39)
Other	-	-	75	75
Total Revenues	<u>4,050</u>	<u>9,450</u>	<u>13,549</u>	<u>4,099</u>
EXPENDITURES				
Current:				
Police	6,000	6,000	4,828	(1,172)
Capital expenditures	-	-	-	-
Total Expenditures	<u>6,000</u>	<u>6,000</u>	<u>4,828</u>	<u>(1,172)</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,950)	3,450	8,721	5,271
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,950)</u>	<u>3,450</u>	8,721	<u>5,271</u>
FUND BALANCES, OCTOBER 1			3,230	
FUND BALANCES, SEPTEMBER 30			<u>11,951</u>	

CITY OF FESTUS
 JEFFERSON COUNTY, MISSOURI
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET TO ACTUAL -PUBLIC WORKS BUILDING REHABILITATION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	-	-	-	-
Fines and penalties	-	-	-	-
Investment income	-	-	1	1
Other	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
EXPENDITURES				
Current:				
Nondepartmental			-	-
Capital expenditures	866	866	-	(866)
Total Expenditures	<u>866</u>	<u>866</u>	<u>-</u>	<u>(866)</u>
REVENUES OVER (UNDER) EXPENDITURES	(866)	(866)	1	867
OTHER FINANCING SOURCES (USES)				
Transfers in	433	433	435	2
Transfers out	-	-	(835)	(835)
Total Other Financing Sources (Uses)	<u>433</u>	<u>433</u>	<u>(400)</u>	<u>(833)</u>
NET CHANGE IN FUND BALANCE	<u>(433)</u>	<u>(433)</u>	(399)	<u>34</u>
FUND BALANCES, OCTOBER 1			399	
FUND BALANCES, SEPTEMBER 30			<u>-</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - STORM WATER SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	631,700	631,700	601,997	(29,703)
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	-	-	-	-
Fines and penalties	-	-	-	-
Investment income	12,300	12,300	8,395	(3,905)
Other	-	-	2,199	2,199
Total Revenues	<u>644,000</u>	<u>644,000</u>	<u>612,591</u>	<u>(31,409)</u>
EXPENDITURES				
Current:				
Nondepartmental	190,600	190,600	36,437	(154,163)
Capital expenditures	360,578	195,500	271,643	76,143
Total Expenditures	<u>551,178</u>	<u>386,100</u>	<u>308,080</u>	<u>(78,020)</u>
REVENUES OVER (UNDER) EXPENDITURES	92,822	257,900	304,511	46,611
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(315,850)	(315,850)	(300,997)	14,853
Total Other Financing Sources (Uses)	<u>(315,850)</u>	<u>(315,850)</u>	<u>(300,997)</u>	<u>14,853</u>
NET CHANGE IN FUND BALANCE	<u>(223,028)</u>	<u>(57,950)</u>	3,514	<u>61,464</u>
FUND BALANCES, OCTOBER 1			633,704	
FUND BALANCES, SEPTEMBER 30			<u>637,218</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - TOURISM TAX SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	70,000	75,940	93,050	17,110
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	-	-	-	-
Fines and penalties	-	-	-	-
Investment income	2,000	4,460	4,789	329
Other	-	-	-	-
Total Revenues	<u>72,000</u>	<u>80,400</u>	<u>97,839</u>	<u>17,439</u>
EXPENDITURES				
Current:				
Nondepartmental	-	-	-	-
Capital expenditures	45,000	45,000	44,225	(775)
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>44,225</u>	<u>(775)</u>
REVENUES OVER (UNDER) EXPENDITURES	27,000	35,400	53,614	18,214
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>17,000</u>	<u>25,400</u>	43,614	<u>18,214</u>
FUND BALANCES, OCTOBER 1			229,325	
FUND BALANCES, SEPTEMBER 30			<u>272,939</u>	

CITY OF FESTUS
 JEFFERSON COUNTY, MISSOURI
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET TO ACTUAL - LOCAL LAW ENFORCEMENT BLOCK GRANT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	13,500	51,637	74,767	23,130
Fines and penalties	-	-	-	-
Investment income	-	-	2	2
Other	-	-	-	-
Total Revenues	<u>13,500</u>	<u>51,637</u>	<u>74,769</u>	<u>23,132</u>
EXPENDITURES				
Current:				
Capital expenditures	15,000	52,237	75,367	23,130
Total Expenditures	<u>15,000</u>	<u>52,237</u>	<u>75,367</u>	<u>23,130</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,500)	(600)	(598)	2
OTHER FINANCING SOURCES (USES)				
Transfers in	1,500	1,500	598	(902)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,500</u>	<u>1,500</u>	<u>598</u>	<u>(902)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>900</u>	-	<u>(900)</u>
FUND BALANCES, OCTOBER 1			-	
FUND BALANCES, SEPTEMBER 30			<u>-</u>	

CITY OF FESTUS
 JEFFERSON COUNTY, MISSOURI
 SUPPLEMENTAL INFORMATION
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET TO ACTUAL - SALES TAX REIMBURSEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	275,000	275,000	229,683	(45,317)
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	-	-	-	-
Fines and penalties	-	-	-	-
Investment income	2,000	2,000	146	(1,854)
Other	-	-	-	-
Total Revenues	<u>277,000</u>	<u>277,000</u>	<u>229,829</u>	<u>(47,171)</u>
EXPENDITURES				
Current:				
Nondepartmental	<u>277,000</u>	<u>277,000</u>	<u>230,198</u>	<u>(46,802)</u>
Total Expenditures	<u>277,000</u>	<u>277,000</u>	<u>230,198</u>	<u>(46,802)</u>
REVENUES OVER (UNDER) EXPENDITURES	-	-	(369)	(369)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	(369)	<u>(369)</u>
FUND BALANCES, OCTOBER 1			129,092	
FUND BALANCES, SEPTEMBER 30			<u>128,723</u>	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - FEDERAL FORFEITURE SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	-	-	-	-
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	-	-	-	-
Fines and penalties	-	-	-	-
Investment income	-	-	3	3
Other	-	6,578	6,578	-
Total Revenues	-	6,578	6,582	3
EXPENDITURES				
Current:				
Police	1,217	1,217	799	(418)
Capital outlay	-	-	421	421
Debt service:				
Interest and fiscal charges	-	-	-	-
Principal	-	-	-	-
Total Expenditures	1,217	1,217	1,220	3
REVENUES OVER (UNDER) EXPENDITURES	(1,217)	5,361	5,361	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCE	(1,217)	5,361	5,361	-
FUND BALANCES, OCTOBER 1			1,219	
FUND BALANCES, SEPTEMBER 30			6,580	

CITY OF FESTUS
JEFFERSON COUNTY, MISSOURI
SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET TO ACTUAL - CAPITAL IMPROVEMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2009

REVENUE	Budgeted Amounts		Actual	Over (Under) Budget
	Original	Final		
Property taxes	-	-	-	-
Taxes - other	631,700	631,700	601,232	(30,468)
Intergovernmental	-	-	-	-
Special Assessments	-	-	-	-
Grant revenue	-	-	-	-
Fines and penalties	-	-	-	-
Investment income	1,000	1,000	725	(275)
Other	-	-	-	-
Total Revenues	<u>632,700</u>	<u>632,700</u>	<u>601,957</u>	<u>(30,743)</u>
EXPENDITURES				
Current:				
Police	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Principal	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	632,700	632,700	601,957	(30,743)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(632,700)	(632,700)	(632,700)	-
Total Other Financing Sources (Uses)	<u>(632,700)</u>	<u>(632,700)</u>	<u>(632,700)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	(30,743)	<u>(30,743)</u>
FUND BALANCES, OCTOBER 1			293,696	
FUND BALANCES, SEPTEMBER 30			<u>262,953</u>	