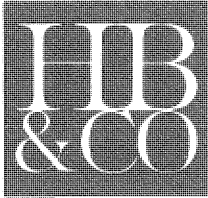

**CITY OF BALLWIN,
MISSOURI**

**FINANCIAL REPORT
(Audited)**

Year Ended December 31, 2008

CITY OF BALLWIN, MISSOURI
FINANCIAL REPORT

	Page
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet - Governmental Funds	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Fiduciary Net Assets - Police Pension Fund	19
Statement of Changes in Fiduciary Net Assets - Police Pension Fund	20
Notes to Financial Statements	21
REQUIRED SUPPLEMENTAL INFORMATION	
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
General Fund	38
Special Allocation Fund	42
Notes to Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	43
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual - Capital Projects Fund - Budget Basis	45



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

INDEPENDENT AUDITORS' REPORT

June 23, 2009

Honorable Mayor and Board of Aldermen
CITY OF BALLWIN, MISSOURI

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF BALLWIN, MISSOURI** (the City) as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as of December 31, 2008, and the respective changes in financial position thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

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

www.hbclp.com

POLARIS
INTERNATIONAL

Member: Polaris International with Firms in Principal U.S. and International Cities

In accordance with *Government Auditing Standards*, we have also issued a report dated June 23, 2009 on our consideration of the City's 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 important for assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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.

Hochschild, Bloom + Company, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

The management's discussion and analysis of the City of Ballwin, Missouri's (the City) financial performance provides an overall review of the City's financial activities for the fiscal year ended December 31, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements following this narrative.

FINANCIAL HIGHLIGHTS

- In the government-wide financial statements, the assets of the City were more than its liabilities at the close of fiscal year 2008 by \$48,131,174 (net assets). Investments increased while long-term obligations decreased.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$14,702,556, an increase of \$1,850,396 in comparison with the fund balance at fiscal year ended December 31, 2007. 64% of the total governmental fund balances, or \$9,399,611, is *unreserved* and available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$8,754,370, or approximately 56% of total General Fund revenues (\$15,569,432) and 65% of General Fund expenditures (\$13,481,157).
- The City's total debt decreased by \$1,893,730 during the current fiscal year, leaving a debt balance of \$26,566,579.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains required supplemental information and other supplemental 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's finances, in a manner similar to a private-sector business. These statements provide both long-term and short-term information about the City's overall financial status.

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

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

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008

The government-wide financial statements distinguish functions of the City 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). The governmental activities of the City include parks and recreation, police, judicial, public works, and general government.

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 uses fund accounting to keep track of specific sources of funding and spending for particular purposes. The City maintains governmental funds and one fiduciary fund.

Governmental funds. Governmental funds are used to account for most of the City's basic services which focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balances remaining at year-end that are readily available for spending. Governmental funds use the modified accrual method of accounting to focus on the near-term inflows and outflows of expendable resources and balances of year-end expendable resources. This detailed short-term view helps readers determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided on a subsequent page that explains the relationship (or differences) between the government-wide and fund statements.

The City maintains several funds. These funds are represented separately on the governmental funds balance sheet, as well as on the statement of revenues, expenditures, and changes in fund balances. The individual funds are the General Fund, Special Allocation Fund, Capital Projects Fund, Town Center Debt Service Fund, and Aquatic Center Debt Service Fund. These are all considered to be major funds.

A General Fund annual appropriations budget is adopted by the City as required by the General Statutes. A separate Capital Projects Fund budget and Special Allocation Fund budget are also adopted annually. The General Fund budget is a legally adopted document that incorporates input from the management of the City and the decisions of the Board of Aldermen about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budget "workshop" meeting, as well as the budget adoption meeting, is open to the public. Budgetary comparison statements have been provided for all budgeted funds to demonstrate legal compliance with the respective adopted budgets.

Fiduciary funds. The City is the trustee, or fiduciary, for its police employees' pension plan. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The City excludes these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the basic financial statements. These notes provide additional information that is essential to fully understand the data provided in the government-wide and fund financial statements.

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008

Required supplemental information. This management's discussion and analysis and budgetary comparison schedule for the General Fund and Special Revenue Fund represent financial information required by GASB to be presented. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes.

Other supplemental information. This part of the annual report includes a budgetary comparison schedule for the Capital Projects Fund. This other supplemental information is provided to address certain specific needs of various users of the City's annual report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve as a useful indicator of a government's financial position over time. The City uses its capital assets (land, buildings, machinery and equipment, and infrastructure) 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 to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

	December 31	
	2008	2007
ASSETS		
Current and other assets	\$16,047,973	14,968,454
Capital assets, net	<u>60,304,065</u>	<u>62,159,041</u>
Total Assets	<u>76,352,038</u>	<u>77,127,495</u>
LIABILITIES		
Long-term liabilities	26,566,579	28,460,309
Other liabilities	<u>1,654,285</u>	<u>2,510,833</u>
Total Liabilities	<u>28,220,864</u>	<u>30,971,142</u>
NET ASSETS		
Invested in capital assets, net of related debt	51,081,382	51,665,930
Restricted	5,488,135	5,400,290
Unrestricted (deficiency)	<u>(8,438,343)</u>	<u>(10,909,867)</u>
Total Net Assets	<u>\$48,131,174</u>	<u>46,156,353</u>

A portion of the City's net assets represents resources that are subject to external restrictions on how they may be used.

Unrestricted net assets are primarily negative due to \$16,870,000 in outstanding Tax Increment Financing Refunding Bonds Series 2002 for infrastructure assets not owned by the City. These bonds are lim-

CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008

ited obligations of the City and are funded only by incremental revenues generated within the TIF 2-A district.

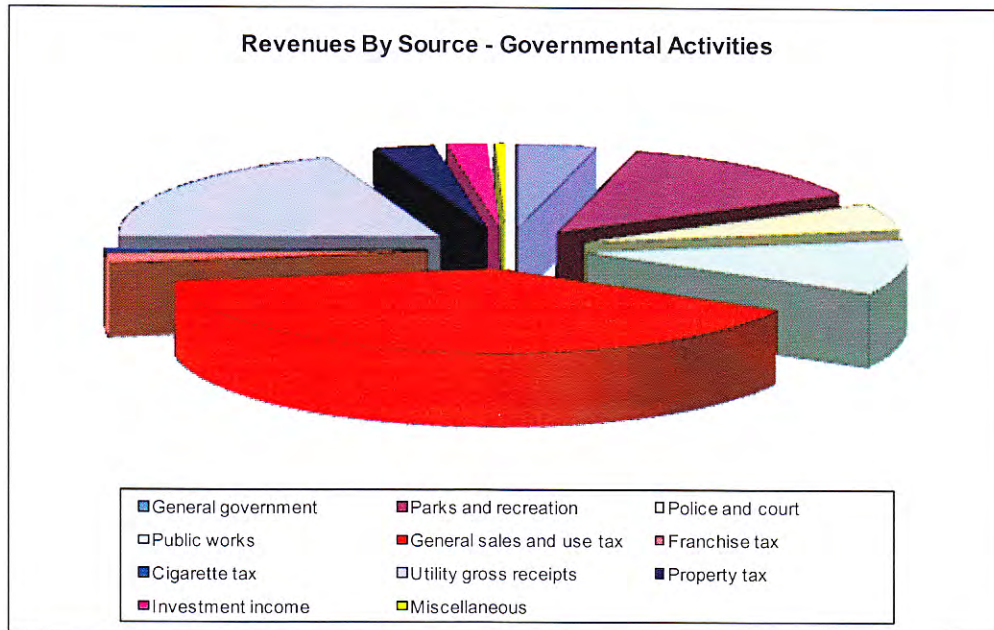
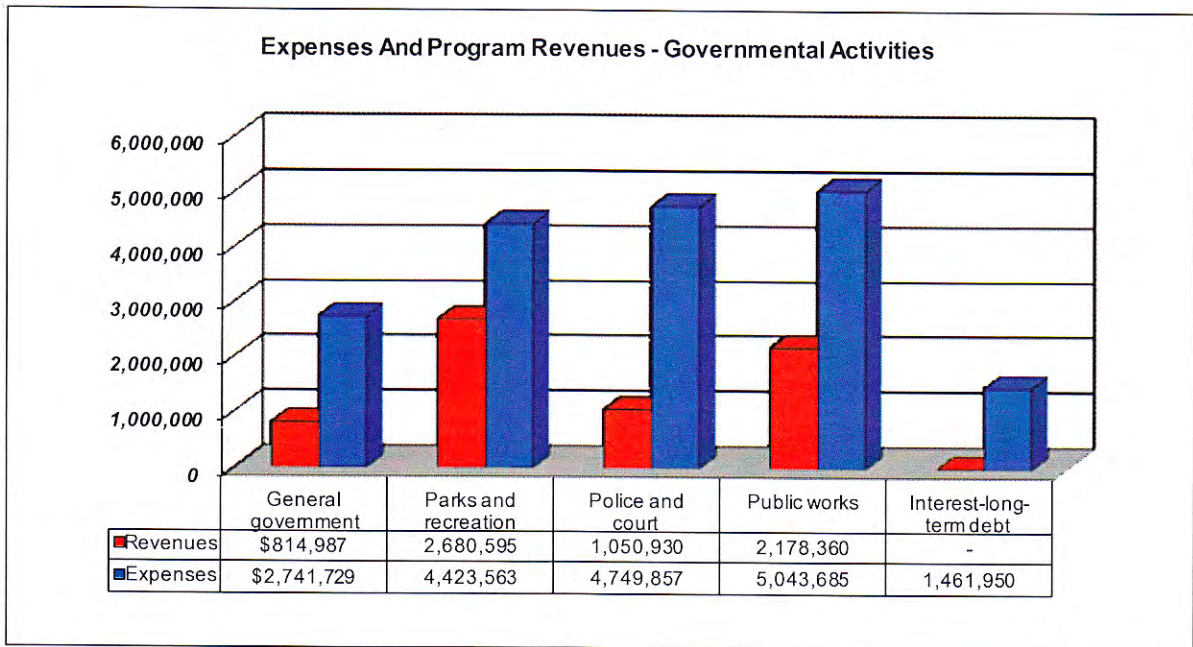
Governmental activities. Governmental activities increased the City's net assets by \$1,974,821.

A condensed version of the statement of activities is as follows:

	For The Years	
	Ended December 31	
	2008	2007
REVENUES		
Program revenues:		
Charges for services	\$ 4,799,426	5,277,619
Operating grants and contributions	<u>1,925,446</u>	<u>2,479,508</u>
Total Program Revenues	6,724,872	7,757,127
General revenues:		
Taxes	13,140,724	11,683,302
Investment income	415,496	708,743
Miscellaneous	<u>114,513</u>	<u>111,972</u>
Total Revenues	<u>20,395,605</u>	<u>20,261,144</u>
 EXPENSES		
General government	2,741,729	2,631,042
Parks and recreation	4,423,563	4,752,689
Police and court	4,749,857	5,028,559
Public works	5,043,685	4,373,302
Interest on long-term debt	<u>1,461,950</u>	<u>1,555,989</u>
Total Expenses	<u>18,420,784</u>	<u>18,341,581</u>
 CHANGE IN NET ASSETS	1,974,821	1,919,563
 NET ASSETS, JANUARY 1	<u>46,156,353</u>	<u>44,236,790</u>
 NET ASSETS, DECEMBER 31	<u>\$48,131,174</u>	<u>46,156,353</u>

Significant changes in net assets. The primary increase in net assets is attributable to increased utility tax revenue due to a rate increase, settlements from the cellular telephone companies, and a \$1,893,730 reduction in debt.

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental funds. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For the fiscal year ended December 31, 2008, the governmental funds reflected a combined fund balance of \$14,702,556. The \$1,850,396 increase in fund balance from December 31, 2007 is due primarily to higher utility tax revenues from a tax increase, settlements from cellular telephone companies, and lower than anticipated operating and capital expenditures. A 2008 budgeted building improvement to the Government Center was not begun until 2009 and delay in replacing personnel saved on operating expenses.

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

The major capital expenditure for 2008 was \$1,052,395 in street improvements and replacement police vehicles purchased totaling \$104,349. The majority of remaining capital expenditures was for payment towards long-term debt.

A total of \$9,399,611, or 64% of the combined total fund balances, constitutes unreserved fund balance, which generally is available for spending at the City's discretion.

GENERAL FUND BUDGETARY HIGHLIGHTS

A re-appropriation between accounts in the General Fund and Special Allocation Fund budgets was approved by the Board of Aldermen in October 2008. The General Fund budget was amended to increase revenues by \$1,259,982 primarily due to cellular telephone tax settlements. Expenses were increased by \$60,632 to primarily cover increases in motor fuel, concrete costs, and salaries. Budgeted revenues were realized at close to 102%, while expenses were realized at 93% - this was mainly due to turnover in personnel and lag time in replacing positions at a lower salary, but offset by higher motor fuel, oil by-products, and energy costs.

Most revenues were relatively constant with budget. Utility taxes increased due to a tax rate increase and sales taxes were realized at 95% of budget. Interest rates earned on bank cash accounts were 72% of budget expectations. Recreational fees averaged 95% to 98% of budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets. At December 31, 2008, the City's net capital assets totaled \$60,304,065. These assets include land and improvements, historical treasures, construction in progress, infrastructure reconstruction, buildings and improvements, furniture and fixtures, intangible assets, machinery and equipment, and vehicles.

	December 31	
	2008	2007
Capital assets:		
Land and improvements	\$ 6,719,080	6,668,577
Buildings and improvements	21,875,428	21,875,428
Historical treasures	247,573	210,556
Furniture and fixtures	51,698	60,426
Machinery and equipment	2,158,417	2,176,683
Vehicles	1,889,474	1,845,114
Intangible assets	116,250	116,250
Infrastructure	82,498,213	82,229,710
Right-of-way	12,798,034	12,798,034
Construction in progress	97,633	60,598
	128,451,800	128,041,376
Less - Accumulated depreciation	(68,147,735)	(65,882,335)
Total Capital Assets	\$ 60,304,065	62,159,041

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

The City had capital asset disposals of \$82,090, which consisted primarily of police autos.

Capital assets added in 2008 totaled \$691,860. The largest portion of this involved infrastructure improvements of \$268,503 and vehicle purchases totaling \$232,088. Depreciation totaling \$2,464,746 resulted in net capital assets decreasing \$1,854,976.

Additional information for capital assets can be found in Note C in the notes to financial statements.

Long-term debt. At December 31, 2008, the City had outstanding long-term debt obligations in the amount of \$26,566,579. This debt includes \$3,695,000 in refunded general obligation bonds (rated Aa2-Moody's), \$92,683 in premium for the general obligation bonds, \$5,435,000 in certificates of participation (rated Aaa-Moody's), and \$16,870,000 in tax increment bonds. A capital lease for fitness equipment was paid in full in 2008 leaving no balance at year-end. Compensated absences totaled \$473,896.

The 1992 issued general obligation bonds, previously refunded in 1998, were again refunded in 2008, lessening the balance to \$3,695,000 due to old bonds being sold for a premium.

The City's long-term debt is detailed below:

	December 31	
	2008	2007
General obligation bonds, Series 1998	\$ 3,695,000	4,535,000
Premium on general obligation bonds	92,683	-
Certificates of participation, Series 2002	5,435,000	5,935,000
TIF bonds - 2002 issue	16,870,000	17,565,000
Capital lease obligations	-	23,111
Compensated absences	473,896	402,198
	\$26,566,579	28,460,309

Additional information can be found in Note F in the notes to financial statements.

SIGNIFICANT VARIANCES BETWEEN BUDGETS AND ACTUAL EXPENDITURES

In the General Fund, the following significant variances occurred between budget and actual expenditures:

- The City's contribution to the municipal revenue fund for the TIF was \$37,511 more than anticipated at budget because of more TIF Trustee held funds on hand being used toward debt payment.
- Road salt costs for snow removal were \$17,906 more than budget due to more need than projected and higher costs due to demand.
- Costs of vehicle parts for aging equipment in Public Works were \$22,501 more than projected.

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

- A small addition to the Police Department was not constructed saving \$10,125 of budget.
- Regular Pay for Program 31 (Police Field Operations) ended the year \$181,099 less than budgeted due to officers terminating during the year and not being replaced or delay in replacing.
- Police Pension under Program 31 varied \$21,899 less than budgeted due to officers terminating during the year and not being replaced or delayed in replacing.
- The Motor Fuel line item in Program 31 (Field Operations) for police resulted in \$15,561 more cost than budgeted due to higher fuel prices than projected.
- Chemicals for the outdoor aquatic center cost \$10,651 more than projected in budget.
- Part-time pay categories for the Pointe Recreation Center netted \$55,680 less than budget due to scheduling managers to cover otherwise part-time hours.
- Electricity costs for the Pointe Recreation Center resulted in \$20,126 less than budget projections.
- To cut costs, \$44,155 of budget was not utilized for contractual instructor services at the Pointe Recreation Center.

In the Capital Projects Fund, the following significant variances occurred between the amended budget and actual expenditures:

- \$512,965 budgeted for the front entrance replacement at the Government Center was not expensed in 2008. The project was delayed until early 2009.
- The \$87,500 budgeted as capital contingency for possible overruns connected to the Government Center entrance project and possible building equipment failures was not needed.
- The City's contribution from the capital improvement tax to the municipal revenue fund for the TIF was \$18,756 more than anticipated at budget because of more TIF Trustee held funds on hand being used towards debt payment.
- A short window of opportunity for general obligation bonds refunding resulted in \$73,617 un-budgeted bond issuance costs.
- Asphalt costs resulted in being \$26,566 more favorable than projected at budget.
- More milling and repaving were performed on streets than projected at budget, resulting in a variance of \$38,811 more than budget.
- A contractual street assessment, budgeted at \$50,000, was not conducted to save costs.
- An \$18,500 contingency for overruns in projects and equipment failures was not used. Any budget cost overages were charged to individual expense line items.
- \$38,191 of a contingency line item for parks was not used.
- The City's contribution from the parks sales tax to the municipal revenue fund for the TIF was \$18,756 more than anticipated at budget because of more TIF Trustee held funds on hand being used toward debt payment.

**CITY OF BALLWIN, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2008**

- Electrical work on a pump station for the golf course was not constructed, saving \$65,498 of budget. Lighted monument signs for the golf course and the recreation center budgeted at \$12,000 each were not erected until 2009.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Sales taxes for 2008 were about 6% less than those collected during 2007. The 2008 budget for sales tax was reduced 2% from the 2007 budget and resulted in 96% of budget. A Mexican restaurant opened in the TIF area in 2008, as well as a few other small businesses. Several small businesses closed in 2008 due to the economy downturn and higher rents.

The 2009 budgets for the City reflect an expected 4% decrease in sales tax revenue than budgeted in 2008. The use of \$614,955 in General Fund balance is projected to be needed to balance the proposed operating budget, while \$385,054 in funds not spent in 2008 is projected to be used to balance the capital budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Officer, 14811 Manchester Road, Ballwin, MO 63011.

CITY OF BALLWIN, MISSOURI
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

	Governmental Activities
ASSETS	
Cash	\$ 2,068,954
Investments	5,807,533
Prepaid items	257,337
Receivables:	
Taxes	2,690,928
Court	13,270
Grants	5,402
Interest	206
Other	16,590
Bond issue costs	67,482
Inventories	8,684
Restricted assets:	
Cash	1,434,447
Investments	3,677,140
Capital assets:	
Land and other nondepreciable assets	19,862,320
Other capital assets, net of accumulated depreciation	40,441,745
Total Assets	76,352,038
LIABILITIES	
Accounts payable	180,784
Accrued wages and benefits	261,103
Accrued liabilities	801,589
Deposits	18,668
Unearned revenue	2,521
Accrued interest	368,120
Net OPEB obligation	21,500
Noncurrent liabilities:	
Due within one year	2,365,000
Due in more than one year	24,201,579
Total Liabilities	28,220,864
NET ASSETS	
Invested in capital assets, net of related debt	51,081,382
Restricted for debt service	4,486,598
Restricted for sewer lateral	268,263
Restricted for capital assets	733,274
Unrestricted (deficiency)	(8,438,343)
Total Net Assets	\$ 48,131,174

See notes to financial statements

CITY OF BALLWIN, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Program Revenues		Net Revenues (Expenses) And Change In Net Assets	
FUNCTIONS/PROGRAMS	Expenses	Charges For Services	Operating Grants And Contributions	
Governmental Activities			Governmental Activities	
General government	\$ 2,741,729	803,050	11,937	(1,926,742)
Public works	5,043,685	296,437	1,881,923	(2,865,325)
Police and court	4,749,857	1,037,094	13,836	(3,698,927)
Parks and recreation	4,423,563	2,662,845	17,750	(1,742,968)
Interest on long-term debt	1,461,950	-	-	(1,461,950)
Total Governmental Activities	\$ 18,420,784	4,799,426	1,925,446	(11,695,912)
 General Revenues				
Taxes:				
General sales and use				8,035,475
Franchise				372,731
Cigarette				102,570
Utility gross receipts				4,006,224
Property				623,724
Investment income				415,496
Miscellaneous				114,513
Total General Revenues				13,670,733
 CHANGE IN NET ASSETS				1,974,821
 NET ASSETS, JANUARY 1				46,156,353
 NET ASSETS, DECEMBER 31				\$ 48,131,174

See notes to financial statements

CITY OF BALLWIN, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	<u>General</u>	<u>Special Allocation</u>	<u>Capital Projects</u>	<u>Debt Service</u>		<u>Total Governmental Funds</u>
				<u>Town Center</u>	<u>Aquatic Center</u>	
ASSETS						
Cash	\$ 1,889,271	-	179,683	-	-	2,068,954
Investments	5,807,533	-	-	-	-	5,807,533
Prepaid items	257,337	-	-	-	-	257,337
Receivables:						
Taxes	1,478,917	632,755	579,256	-	-	2,690,928
Court	13,270	-	-	-	-	13,270
Grants	5,402	-	-	-	-	5,402
Interest	124	10	72	-	-	206
Other	14,069	-	2,521	-	-	16,590
Inventories	8,684	-	-	-	-	8,684
Restricted assets:						
Cash	1,224,034	108,723	101,690	-	-	1,434,447
Investments	-	-	-	2,917,721	759,419	3,677,140
Due from other funds	53,471	68,105	-	809,458	-	931,034
Total Assets	<u>\$ 10,752,112</u>	<u>809,593</u>	<u>863,222</u>	<u>3,727,179</u>	<u>759,419</u>	<u>16,911,525</u>

CITY OF BALLWIN, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2008

	<u>General</u>	<u>Special Allocation</u>	<u>Capital Projects</u>	<u>Debt Service</u>		<u>Total Governmental Funds</u>
				<u>Town Center</u>	<u>Aquatic Center</u>	
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 177,100	-	3,684	-	-	180,784
Accrued wages and benefits	261,103	-	-	-	-	261,103
Accrued liabilities	786,882	-	14,707	-	-	801,589
Due to other funds	12,405	809,593	109,036	-	-	931,034
Deposits	18,668	-	-	-	-	18,668
Deferred revenue	13,270	-	2,521	-	-	15,791
Total Liabilities	<u>1,269,428</u>	<u>809,593</u>	<u>129,948</u>	<u>-</u>	<u>-</u>	<u>2,208,969</u>
Fund Balances						
Reserved for:						
Prepaid items	257,337	-	-	-	-	257,337
Inventories	8,684	-	-	-	-	8,684
Debt service	-	-	-	3,727,179	759,419	4,486,598
Sewer lateral	268,263	-	-	-	-	268,263
Police	180,425	-	-	-	-	180,425
Community programs	13,605	-	-	-	-	13,605
Recreation	-	-	408	-	-	408
Special projects	-	-	87,625	-	-	87,625
Unreserved:						
General Fund	8,754,370	-	-	-	-	8,754,370
Capital Projects Funds	-	-	645,241	-	-	645,241
Total Fund Balances	<u>9,482,684</u>	<u>-</u>	<u>733,274</u>	<u>3,727,179</u>	<u>759,419</u>	<u>14,702,556</u>
Total Liabilities And Fund Balances	<u>\$ 10,752,112</u>	<u>809,593</u>	<u>863,222</u>	<u>3,727,179</u>	<u>759,419</u>	<u>16,911,525</u>

CITY OF BALLWIN, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Total Fund Balances - Governmental Funds \$ 14,702,556

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$128,451,800 and the accumulated depreciation is \$68,147,735. 60,304,065

Municipal court receivables are assessed by the City, but are not collected as of December 31, 2008 and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements. 13,270

Net OPEB obligation is not a use of financial resources and, therefore, is not reported in the governmental funds. (21,500)

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 :

Compensated absences	(473,896)
General obligation bonds	(3,695,000)
Certificates of participation	(5,435,000)
Tax increment bonds	(16,870,000)
Accrued interest payable	(368,120)
Unamortized bond premium	(92,683)
Unamortized bond issuance cost	67,482

Total Net Assets Of Governmental Activities \$ 48,131,174

CITY OF BALLWIN, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	General	Special Allocation	Capital Projects	Debt Service		Total Governmental Funds
				Town Center	Aquatic Center	
REVENUES						
Taxes	\$ 6,333,169	1,446,906	3,160,054	-	-	10,940,129
Licenses and permits	1,175,781	-	-	-	-	1,175,781
Public utility licenses	3,989,381	16,843	-	-	-	4,006,224
Court fines	713,225	-	-	-	-	713,225
False alarm fines	6,450	-	-	-	-	6,450
Police and communications	317,970	-	-	-	-	317,970
Community programs	2,662,845	-	-	-	-	2,662,845
Investment income	244,236	2,804	15,631	113,351	39,474	415,496
Donations	14,017	-	10,000	-	-	24,017
Grants and entitlements	13,836	-	5,670	-	-	19,506
Miscellaneous	98,522	-	15,991	-	-	114,513
Total Revenues	<u>15,569,432</u>	<u>1,466,553</u>	<u>3,207,346</u>	<u>113,351</u>	<u>39,474</u>	<u>20,396,156</u>
EXPENDITURES						
Current:						
Administration	2,562,021	15,423	-	8,761	-	2,586,205
Public works	2,603,445	-	-	-	-	2,603,445
Police	4,652,674	-	-	-	-	4,652,674
Parks and recreation	3,663,017	-	-	-	-	3,663,017
Capital outlay	-	-	1,607,390	-	-	1,607,390
Debt service:						
Principal	-	-	830,000	695,000	500,000	2,025,000
Interest	-	-	205,755	1,045,819	234,961	1,486,535
Debt issuance costs	-	-	73,617	-	-	73,617
Total Expenditures	<u>13,481,157</u>	<u>15,423</u>	<u>2,716,762</u>	<u>1,749,580</u>	<u>734,961</u>	<u>18,697,883</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,088,275</u>	<u>1,451,130</u>	<u>490,584</u>	<u>(1,636,229)</u>	<u>(695,487)</u>	<u>1,698,273</u>
OTHER FINANCING SOURCES (USES)						
Issuance of long-term debt	-	-	3,695,000	-	-	3,695,000
Premium on issuance of debt	-	-	101,109	-	-	101,109
Refunding of long-term debt	-	-	(3,722,436)	-	-	(3,722,436)
Transfers in	-	200,762	-	1,651,892	681,638	2,534,292
Transfers out	(100,381)	(1,651,892)	(782,019)	-	-	(2,534,292)
Sale of capital assets	5,229	-	73,221	-	-	78,450
Total Other Financing Sources (Uses)	<u>(95,152)</u>	<u>(1,451,130)</u>	<u>(635,125)</u>	<u>1,651,892</u>	<u>681,638</u>	<u>152,123</u>
NET CHANGE IN FUND BALANCES	1,993,123	-	(144,541)	15,663	(13,849)	1,850,396
FUND BALANCES, JANUARY 1	<u>7,489,561</u>	<u>-</u>	<u>877,815</u>	<u>3,711,516</u>	<u>773,268</u>	<u>12,852,160</u>
FUND BALANCES, DECEMBER 31	<u>\$ 9,482,684</u>	<u>-</u>	<u>733,274</u>	<u>3,727,179</u>	<u>759,419</u>	<u>14,702,556</u>

CITY OF BALLWIN, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Net Change In Fund Balances - Governmental Funds		\$ 1,850,396
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$2,464,746) exceeded capital outlays over the capitalization threshold (\$691,860) in the current period.</p>		(1,772,886)
<p>The net effect of various miscellaneous transactions involving capital assets:</p>		
Cost of disposals, net of accumulated depreciation		(82,090)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements.</p>		(551)
<p>Bond proceeds are reported as financing sources in the governmental funds financial statements and thus contribute to the net change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the liability in the statement of net assets.</p>		
Debt issued during the current year:		
General obligation refunding bonds	(3,695,000)	
Issuance costs	73,617	
Premium on debt issue	(101,109)	
Repayments during the current year:		
Principal payments on bonds	5,730,000	
Principal payments on leases included in fund expenditures	23,111	2,030,619
<p>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 the governmental funds:</p>		
Accrued compensated absences	(71,698)	
Accrued interest on debt	40,240	
Amortized bond issuance cost	(6,135)	
Amortized bond premium	8,426	
Net OPEB obligation	(21,500)	(50,667)
Change In Net Assets Of Governmental Activities		\$ 1,974,821

CITY OF BALLWIN, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS -
POLICE PENSION FUND
DECEMBER 31, 2008

ASSETS

Cash and investments

\$ 3,006,520

NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS

\$ 3,006,520

CITY OF BALLWIN, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET
ASSETS - POLICE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

ADDITIONS

Employer contributions	\$ 208,970
Investment income (loss):	
Net depreciation in fair value of investments and interest and dividends	<u>(2,019,987)</u>
Total Additions - Net	(1,811,017)

DEDUCTIONS

Benefits	<u>81,425</u>
----------	---------------

CHANGE IN NET ASSETS

(1,892,442)

NET ASSETS HELD IN TRUST FOR PENSION
BENEFITS, JANUARY 1

4,898,962

NET ASSETS HELD IN TRUST FOR PENSION
BENEFITS, DECEMBER 31

\$ 3,006,520

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF BALLWIN, MISSOURI** (the City) was incorporated December 29, 1950. The City operates as a forth-class city under the Missouri state statutes. It has a mayor/aldermanic/city administrator form of government and provides the following services: legislative, general services, finance and accounting, community development, public works, police, judicial, and parks and recreation.

The accounting policies and financial reporting practices of the City conform to U.S. generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant policies:

1. Reporting Entity

The financial statements of the City include the financial activities of the City and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. Based on these criteria, the City has determined that its financial reporting entity consists of the City (the primary government) and no other reporting units.

2. Government-wide and Fund Financial Statements

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds financial statements are reported using 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 measurable and 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.

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

The City reports the following major governmental funds:

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

Special Allocation Fund -- This fund was established to account for a portion of the revenues derived from the tax increment financing activities.

Capital Projects Fund -- This fund is used to account for the acquisition or construction of major capital facilities.

Town Center Debt Service Fund -- This fund is used to account for the debt service activity for the tax increment bonds.

Aquatic Center Debt Service Fund -- This fund is used to account for the debt service activity for the certificates of participation.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Additionally, the City reports the following fund type:

Police Pension Fund -- This fund accounts for the accumulation of resources for qualified police employees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payment-in-lieu of taxes and other charges and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

4. Investments

The Finance Officer maintains a cash and investment pool that is available for use by all funds. Interest income on pooled cash and investments is recorded within each fund. State statutes authorize Missouri local governments to invest in obligations of the U.S. Treasury and U.S. government agencies, obligations of the State of Missouri, time certificates of deposit, and repurchase agreements. Deposits in financial institutions must be collateralized by securities pledged to the City by these same institutions.

Investments are stated at fair value. Fair value for certain U.S. government securities which mature within less than one year from purchase is determined by calculating amortized cost, which approximates market value. Fair values for all other investments is based on quoted market prices.

5. Restricted Assets

Certain resources set aside for escrow amounts and for the repayment of debt which are classified as restricted assets on the balance sheet because their use is limited by liability or by applicable debt covenants.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 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.

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

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

Asset	Years
Buildings	20 - 40
Building improvements	20 - 40
Furniture and fixtures	5 - 10
Infrastructure	20 - 50
Intangible assets	5 - 10
Machinery and equipment	6 - 10
Vehicles	3 - 10

7. Compensated Absences

Vacations accrue to employees based on weeks of continuous service. Upon leaving the employ of the City, an employee is entitled to payment for accrued vacation. A liability for unused vacation compensation has been recorded as long-term debt as it is expected to be paid from future resources. Sick leave is based upon continuous weeks of service and is only available to provide compensation during periods of illness.

8. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discount, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, if any. 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, if any.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Long-term Obligations (Continued)

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.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance, if any, represent tentative management plans that are subject to change.

10. Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers. Such transfers are reported as other financing sources (uses) in the governmental fund types. All of these interfund balances are due to timing differences. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2009.

11. Prepaid Items and Inventory

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Inventories of consumable supplies are recorded at cost (determined on a first-in, first-out basis). Prepaid items and inventory are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

12. Use of Estimates

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and the accompanying notes. Actual results could differ from those estimates.

NOTE B - CASH AND INVESTMENTS

1. Deposits

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

1. Deposits (Continued)

the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of December 31, 2008, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of December 31, 2008, the City had the following investments:

<u>Investments</u>	<u>Fair Market Value</u>	<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>More Than 10 Years</u>	<u>Credit Risk</u>
Primary Government							
Certificates of deposit	\$ 5,807,533	-	5,807,533	-	-	-	N/A
Repurchase agreement	1,841,000	-	1,841,000	-	-	-	N/A
Government securities:							
Federal agencies	1,989,178	-	-	-	685,212	1,303,966	AAA
Money market funds	<u>1,687,962</u>	<u>1,687,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Not rated
Total Primary Government Investments	<u>11,325,673</u>	<u>1,687,962</u>	<u>7,648,533</u>	<u>-</u>	<u>685,212</u>	<u>1,303,966</u>	
Fiduciary Funds							
Money market funds	56,950	56,950	-	-	-	-	Not rated
Mutual funds	<u>2,949,570</u>	<u>2,949,570</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	N/A
Total Fiduciary Funds Investments	<u>3,006,520</u>	<u>3,006,520</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Grand Total Investments	<u>\$14,332,193</u>	<u>4,694,482</u>	<u>7,648,533</u>	<u>-</u>	<u>685,212</u>	<u>1,303,966</u>	

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City minimizes credit risk by pre-qualifying the financial institu-

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

tions, broker/dealers, intermediaries, and advisors with which the City will do business and diversifying the portfolio to reduce potential losses on individual securities.

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

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City minimizes concentration of credit risk by diversifying the investment portfolio.

NOTE C - CAPITAL ASSETS

Capital asset activity was as follows:

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - CAPITAL ASSETS (Continued)

	For The Year Ended December 31, 2008			
	December 31	Additions	Deletions	December 31
	2007			2008
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 5,183,891	-	-	5,183,891
Land improvements	1,484,686	50,503	-	1,535,189
Historical treasures	210,556	37,017	-	247,573
Right-of-way	12,798,034	-	-	12,798,034
Construction in progress	<u>60,598</u>	<u>37,035</u>	-	<u>97,633</u>
Total Capital Assets Not Being Depreciated	<u>19,737,765</u>	<u>124,555</u>	-	<u>19,862,320</u>
Capital assets being depreciated:				
Buildings	21,562,949	-	-	21,562,949
Building improvements	312,479	-	-	312,479
Furniture and fixtures	60,426	14,069	22,797	51,698
Infrastructure	82,229,710	268,503	-	82,498,213
Intangible assets	116,250	-	-	116,250
Machinery and equipment	2,176,683	52,645	70,911	2,158,417
Vehicles	<u>1,845,114</u>	<u>232,088</u>	<u>187,728</u>	<u>1,889,474</u>
Total Capital Assets Being Depreciated	<u>108,303,611</u>	<u>567,305</u>	<u>281,436</u>	<u>108,589,480</u>
Less - Accumulated depreciation for:				
Buildings	6,282,757	610,371	-	6,893,128
Building improvements	39,595	17,992	-	57,587
Furniture and fixtures	6,550	8,161	3,039	11,672
Infrastructure	57,191,114	1,503,109	-	58,694,223
Intangible assets	93,402	4,193	-	97,595
Machinery and equipment	1,282,152	158,886	55,902	1,385,136
Vehicles	<u>986,765</u>	<u>162,034</u>	<u>140,405</u>	<u>1,008,394</u>
Total Accumulated Depreciation	<u>65,882,335</u>	<u>2,464,746</u>	<u>199,346</u>	<u>68,147,735</u>
Total Capital Assets Being Depreciated, Net	<u>42,421,276</u>	<u>(1,897,441)</u>	<u>82,090</u>	<u>40,441,745</u>
Governmental Activities Capital Assets, Net	<u>\$ 62,159,041</u>	<u>(1,772,886)</u>	<u>82,090</u>	<u>60,304,065</u>

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

	For The Year Ended December 31 2008
Governmental Activities	
General government	\$ 50,453
Public works	1,631,037
Police and court	84,096
Parks and recreation	<u>699,160</u>
	<u>\$2,464,746</u>

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - INTERFUND BALANCES

The due to and due from other funds consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>December 31 2008</u>
General	Capital Projects	\$ 53,336
General	Special Allocation	135
Special Allocation	General	12,405
Special Allocation	Capital Projects	55,700
Town Center Debt Service	Special Allocation	<u>809,458</u>
		<u>\$931,034</u>

NOTE E - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

	<u>Transfers In</u>			<u>Total</u>
	<u>Special Allocation</u>	<u>Town Center Debt Service</u>	<u>Aquatic Center Debt Service</u>	
Transfers out:				
General	\$100,381	-	-	100,381
Special Allocation	-	1,651,892	-	1,651,892
Capital Projects	<u>100,381</u>	<u>-</u>	<u>681,638</u>	<u>782,019</u>
Total	<u>\$200,762</u>	<u>1,651,892</u>	<u>681,638</u>	<u>2,534,292</u>

Interfund transfers may be 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 and 2) use unrestricted revenues collected to finance expenditures in other funds in accordance with budgetary authorization.

NOTE F - LONG-TERM DEBT

A summary of changes are as follows:

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

	<u>For The Year Ended December 31, 2008</u>			<u>Balance December 31 2008</u>	<u>Amounts Due Within One Year</u>
	<u>Balance December 31 2007</u>	<u>Increases</u>	<u>Decreases</u>		
Bonds payable:					
General obligation bonds	\$ 4,535,000	3,695,000	4,535,000	3,695,000	875,000
Plus - premium	-	101,109	8,426	92,683	-
Tax increment bonds	17,565,000	-	695,000	16,870,000	760,000
Other long-term obligations:					
Certificates of participation	5,935,000	-	500,000	5,435,000	515,000
Capital leases	23,111	-	23,111	-	-
Compensated absences	<u>402,198</u>	<u>287,198</u>	<u>215,500</u>	<u>473,896</u>	<u>215,000</u>
Total Long-term Liabilities	<u>\$28,460,309</u>	<u>4,083,307</u>	<u>5,977,037</u>	<u>26,566,579</u>	<u>2,365,000</u>

The general obligation bonds are liquidated by the Capital Projects Fund. The tax increment bonds are liquidated by the Town Center Debt Service Fund. The certificates of participation are liquidated by the Aquatic Center Debt Service Fund. Compensated absences are liquidated by the General Fund and the Capital Projects Fund.

General Obligation/Tax Increment Bonds

In September 2008, the City issued \$3,695,000 of General Obligation Refunding Bonds to refund \$3,705,000 of outstanding Series 1998 General Obligation Bonds (the old debt). As a result, the liability for this new debt has been removed from the City's financial statements. The City decreased its aggregated debt service payments by \$128,353 over 3 years which resulted in economic gain (difference between the present values of the old and new debt service payments) of \$122,058.

Long-term debt includes the following bonds:

	<u>December 31 2008</u>
\$3,695,000 Series 2008 general obligation refunding bonds, principal due in annual installments through September 1, 2012; interest payable at 3.25% to 4%.	\$ 3,695,000
\$16,650,000 Series 2002A tax increment refunding and improvement revenue bonds, principal due in annual installments through October 1, 2013; term bonds due in 2015, 2017, and 2022 thereafter; interest payable at 2.75% to 6.25%.	
\$3,450,000 5.125% Series 2002B term bonds due October 1, 2022.	<u>16,870,000</u>
	<u>\$20,565,000</u>

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE F - LONG-TERM DEBT (Continued)

Certificates of Participation

Long-term debt includes the following certificates of participation:

December 31
2008

\$8,210,000 Series 2002 certificates of participation, principal due in annual installments through September 1, 2017; interest payable at 3% to 4.4%.

\$5,435,000

Capital Leases

In 2005, the City financed the acquisition of exercise equipment totaling \$97,266 using a capital lease with an effective interest rate of 5.9% payable in installments of \$2,953 per month through August 2008.

The assets acquired through capital leases within the governmental activities are as follows:

Equipment	\$97,266
Less - Accumulated depreciation	<u>94,786</u>
	<u>\$ 2,480</u>

Future long-term debt maturities are as follows:

For The Years Ended December 31	General Obligation Bonds		Tax Increment Bonds		Certificates Of Participation		Total Long- term Debt	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	\$ 875,000	130,843	760,000	1,010,200	515,000	218,461	2,150,000	1,359,504
2010	905,000	98,438	535,000	969,350	535,000	200,436	1,975,000	1,268,224
2011	940,000	62,238	595,000	939,925	555,000	180,641	2,090,000	1,182,804
2012	975,000	31,688	680,000	906,456	575,000	159,551	2,230,000	1,097,695
2013	-	-	750,000	867,356	600,000	137,126	1,350,000	1,004,482
2014 - 2018	-	-	5,700,000	3,509,443	2,655,000	291,536	8,355,000	3,800,979
2019 - 2022	-	-	<u>7,850,000</u>	<u>1,299,338</u>	-	-	<u>7,850,000</u>	<u>1,299,338</u>
	<u>\$3,695,000</u>	<u>323,207</u>	<u>16,870,000</u>	<u>9,502,068</u>	<u>5,435,000</u>	<u>1,187,751</u>	<u>26,000,000</u>	<u>11,013,026</u>

NOTE G - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

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

**NOTE G - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
(LAGERS) (Continued)**

1. Plan Description (Continued)

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

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

2. Funding Status

The City's full-time employees do not contribute to the pension plan. The City is required to contribute at an actuarially determined rate; the current rate is 4.9% (general) 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 2008, the City's annual pension cost of \$212,682 was equal to the required and actual contributions. The required contribution was determined as part of the February 28/29, 2006 and 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; b) projected salary increases of 4% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age, attributable to seniority/merit; d) pre-retirement mortality based on the RP-2000 Combined Health Table set back zero years for men and zero years for women; and e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2008 was 15 years.

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
(Continued)

3. Annual Pension Cost (Continued)

Trend Information

<u>For The Fiscal Year Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$212,682	100%	\$ -
2007	229,877	100	-
2006	235,226	100	-

Schedule of Funding Progress

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Actuarial Value Of Assets</u>	<u>Entry Age Actuarial Accrued Liability</u>	<u>Excess Assets</u>
2008	\$8,060,533	\$6,593,268	\$1,467,265
2007	7,176,218	6,082,806	1,093,412
2006	6,425,031	5,466,706	958,325

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Excess Assets As A Percentage Of Covered Payroll</u>
2008	122%	\$4,056,142	36.2%
2007	118	4,034,481	27.1
2006	118	3,744,405	25.6

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, contact the LAGERS' office in Jefferson City, MO.

NOTE H - POLICE PENSION PLAN

The City police are covered by a pension plan under the management and control of a Retirement Committee as provided by City ordinance. The police pension plan is a defined contribution plan which provides normal retirement, early retirement, death, and disability benefits to participants meeting certain eligibility requirements. The plan is funded entirely from City contributions, which are invested in individual investment funds as elected by the Plan participants. City contributions are determined based on a percentage of gross wages. Contributions for the year ended December 31, 2008 were \$208,970. City contributions are funded from the General Fund. Benefits accruing to vested participants are available only to the extent of accumulated contributions and earnings thereon. Participants are partially vested after two years of employment with full vesting after six years. Accumulated contributions and earnings of forfeited participants are used to meet City contributions to current participants.

NOTE I - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of the St. Louis Area Insurance Trust (SLAIT), which is a not-for-profit, self-insurance risk pool formed by various St. Louis County municipalities to cover workers' compensation and general liability matters. The purpose of this trust is to distribute the cost of self-insurance over similar entities. In addition to insurance protection, the program provides risk management services with emphasis in loss control, claims administration, and management information services. SLAIT is fully funded by its member participants and employs an outside service company to process all claims.

The trust requires an annual premium payment by members to cover estimated claims payable and reserves for claims. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust. However, the City is contingently liable to fund its pro rata share if any deficit incurred by the trust should the trust cease operation at some future date.

The City also purchases commercial insurance to cover other risks. Settled claims from these risks have not exceeded coverage in any of the past three years.

NOTE J - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$5,488,135 of restricted net assets, of which \$1,001,537 is restricted by enabling legislation.

NOTE K - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS

Plan Description

The City provides healthcare benefits to employees defined as City retirees who have attained age 55 plus ten years of service until attainment of Medicare Eligibility Age, as long as the retiree pays the monthly premium. Individual-only medical and prescription drug benefits are available to retirees in the St. Louis Area Insurance Trust's (SLAIT) self-insured pool. The individual pays the monthly group health insurance premium. The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities. The City's annual OPEB cost for the current year and the related information are as follows:

	For The Year Ended December 31 <u>2008</u>
Amortization of past service cost	\$14,100
Normal cost	15,700
Interest to end of fiscal year	<u>1,200</u>
ARC	31,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB Cost	<u>31,000</u>
Contributions made	<u>(9,500)</u>
Increase In Net OPEB Obligation	21,500
Net OPEB obligation, January 1, 2008	<u>-</u>
Net OPEB Obligation, December 31, 2008	<u>\$21,500</u>

The Plan, stated in the City's Personnel Policy, was established by City Ordinance, which assigned the authority to establish and amend plan benefit provisions to the City. The contribution requirements of the City and plan members are established and may be amended by the City.

In future years, three-year trend information will be presented. 2008 was the year of implementation of GASB 45 and the City has elected to implement prospectively, therefore, prior year comparative funding progress is not available.

CITY OF BALLWIN, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE K - OTHER POST-EMPLOYMENT BENEFITS (OPEB) OTHER THAN PENSIONS
(Continued)

Required Supplemental Information

Schedule Of Funding Progress (Dollars In Thousands)

Valuation For The Actuarial Valuation January 1	Actuarial Value Of Assets (1)	Actuarial Accrued Liability (2)	Unfunded Accrued Liability (UAAL) (1)-(2)	Funded Ratio (1)/(2)	Covered Payroll (3)	UAAL As A Percentage Of Covered Payroll (1-2)/(3)
2008	\$ -	\$254	(\$254)	- %	\$6,700	4%

Schedule Of Employer Contributions (Dollars In Thousands)

For The Year Ended December 31	Annual Required Cost	Contribution Made	Percent Contributed
2008	\$25	\$9.50	38%

Significant actuarial assumptions used in the valuation are as follows:

Valuation method	Projected unit cost method
Latest valuation date	December 31, 2008
Discount rate	4% per annum
Amortization period	30 years for initial UAAL
Payroll inflation	4%
Mortality	RP2000 Blended Mortality Table
Medical premium rates	10% initial rate; 4.5% alternate rate

NOTE L - COMMITMENTS AND CONTINGENCIES

At December 31, 2008, the City was committed to construction contracts in the amount of \$142,265 for the renovation of the government center's entry way.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Sales tax	\$ 5,300,000	5,300,000	5,038,134	(261,866)
Motor vehicle fees	460,000	460,000	320,382	(139,618)
County road tax	440,000	440,000	575,646	135,646
Cigarette	106,000	106,000	102,570	(3,430)
Sewer lateral fees	295,000	295,000	296,437	1,437
Total Taxes	<u>6,601,000</u>	<u>6,601,000</u>	<u>6,333,169</u>	<u>(267,831)</u>
Licenses and Permits				
Building and sign permits	84,200	84,200	99,026	14,826
Cable television franchise fees	353,000	353,000	372,731	19,731
Inspection and occupancy permits	104,200	104,200	90,891	(13,309)
Liquor licenses	14,500	14,500	13,905	(595)
Merchants and contractors licenses	501,500	501,500	502,241	741
Mechanical permits	25,000	25,000	25,000	-
Plumbing and excavation permits	53,100	53,100	71,987	18,887
Total Licenses And Permits	<u>1,135,500</u>	<u>1,135,500</u>	<u>1,175,781</u>	<u>40,281</u>
Public Utility Licenses				
Electric	808,978	808,978	892,093	83,115
Telephone	395,995	1,614,254	2,059,871	445,617
Gas	702,565	702,565	851,620	149,055
Water	160,712	160,712	185,797	25,085
Total Public Utility Licenses	<u>2,068,250</u>	<u>3,286,509</u>	<u>3,989,381</u>	<u>702,872</u>
Court Fines				
	<u>750,000</u>	<u>750,000</u>	<u>713,225</u>	<u>(36,775)</u>
False Alarm Fines				
	<u>5,000</u>	<u>5,000</u>	<u>6,450</u>	<u>1,450</u>
Police and Communications				
	<u>271,563</u>	<u>271,563</u>	<u>317,970</u>	<u>46,407</u>
Community Programs				
Pool:				
Concessions	158,000	158,000	151,918	(6,082)
Daily admissions	260,000	260,000	243,081	(16,919)
Season passes	139,440	176,163	163,778	(12,385)
Swim team	18,000	18,000	12,748	(5,252)
Rental fees	16,250	16,250	18,243	1,993
Miscellaneous	6,100	6,100	10,407	4,307
Total Pool	<u>597,790</u>	<u>634,513</u>	<u>600,175</u>	<u>(34,338)</u>

(Continued)

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
REVENUES (Continued)				
Community Programs (Continued)				
Community center:				
Concessions	25,500	25,500	23,345	(2,155)
Daily admissions	129,000	129,000	112,961	(16,039)
Punch cards	94,000	94,000	94,995	995
Season passes	652,450	652,450	679,367	26,917
Program fees	320,400	320,400	255,388	(65,012)
Summer camp fees	53,465	53,465	33,360	(20,105)
Rental fees	66,500	66,500	72,223	5,723
Identification fees	20,000	20,000	14,027	(5,973)
Miscellaneous	190	190	187	(3)
Total Community Center	<u>1,361,505</u>	<u>1,361,505</u>	<u>1,285,853</u>	<u>(75,652)</u>
Golf course:				
Green fees	465,000	465,000	447,991	(17,009)
Cart rental	127,500	127,500	133,880	6,380
Miscellaneous	2,550	2,550	4,202	1,652
Total Golf Course	<u>595,050</u>	<u>595,050</u>	<u>586,073</u>	<u>(8,977)</u>
Recreational complex and golf shop:				
Concessions and miscellaneous	96,500	96,500	82,052	(14,448)
Complex rental fees	45,580	45,580	35,590	(9,990)
Total Recreational Complex And Golf Shop	<u>142,080</u>	<u>142,080</u>	<u>117,642</u>	<u>(24,438)</u>
Ballwin Days	78,000	78,000	73,102	(4,898)
Total Community Programs	<u>2,774,425</u>	<u>2,811,148</u>	<u>2,662,845</u>	<u>(148,303)</u>
Investment Income	<u>340,000</u>	<u>340,000</u>	<u>244,236</u>	<u>(95,764)</u>
Donations	<u>1,000</u>	<u>1,000</u>	<u>14,017</u>	<u>13,017</u>
Grants and Entitlements	<u>-</u>	<u>-</u>	<u>13,836</u>	<u>13,836</u>
Miscellaneous				
Administration	37,845	42,845	62,935	20,090
Rental income	20,800	20,800	18,175	(2,625)
Miscellaneous	5,000	5,000	17,412	12,412
Total Miscellaneous	<u>63,645</u>	<u>68,645</u>	<u>98,522</u>	<u>29,877</u>
Total Revenues	<u>14,010,383</u>	<u>15,270,365</u>	<u>15,569,432</u>	<u>299,067</u>

(Continued)

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Administration				
Planning and zoning	55,448	55,448	53,442	(2,006)
Inspections	433,786	433,786	403,309	(30,477)
Sewer lateral	295,000	295,000	266,672	(28,328)
Community services	542,877	542,877	534,368	(8,509)
Legal	377,030	377,030	356,066	(20,964)
Support services	338,398	335,398	258,443	(76,955)
Information services	194,345	194,345	181,855	(12,490)
Municipal Court	167,563	167,563	172,969	5,406
Finance	346,684	349,684	334,897	(14,787)
Total Administration	<u>2,751,131</u>	<u>2,751,131</u>	<u>2,562,021</u>	<u>(189,110)</u>
Public Works				
Engineering	193,638	193,638	193,701	63
Sidewalks	106,730	106,730	93,379	(13,351)
Pavement maintenance	1,371,585	1,408,597	1,402,330	(6,267)
Traffic control	44,544	46,644	44,595	(2,049)
Snow and ice control	258,971	258,971	218,541	(40,430)
Pest control	27,063	27,063	17,962	(9,101)
Storm drainage	16,145	16,145	14,940	(1,205)
Leaf collection	190,298	211,818	208,623	(3,195)
Support services	402,032	402,032	409,374	7,342
Total Public Works	<u>2,611,006</u>	<u>2,671,638</u>	<u>2,603,445</u>	<u>(68,193)</u>
Police				
Management and auxiliary services	452,683	452,683	400,246	(52,437)
Field operations	3,421,429	3,353,918	3,164,594	(189,324)
Communications	603,343	603,343	603,278	(65)
Criminal investigations	460,067	527,578	484,556	(43,022)
Total Police	<u>4,937,522</u>	<u>4,937,522</u>	<u>4,652,674</u>	<u>(284,848)</u>
Parks and Recreation				
Parks	753,669	753,669	678,551	(75,118)
Golf operations	798,441	798,441	740,096	(58,345)
Pool	574,317	574,317	549,457	(24,860)
Golf club	94,692	94,692	83,201	(11,491)
Community center	1,751,406	1,751,406	1,541,312	(210,094)
Ballwin days	88,447	88,447	70,400	(18,047)
Total Parks And Recreation	<u>4,060,972</u>	<u>4,060,972</u>	<u>3,663,017</u>	<u>(397,955)</u>
Total Expenditures	<u>14,360,631</u>	<u>14,421,263</u>	<u>13,481,157</u>	<u>(940,106)</u>

(Continued)

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL FUND (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(350,248)</u>	<u>849,102</u>	<u>2,088,275</u>	<u>1,239,173</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(62,870)	(62,870)	(100,381)	(37,511)
Sale of capital assets	<u>2,500</u>	<u>2,500</u>	<u>5,229</u>	<u>2,729</u>
Total Other Financing Sources (Uses)	<u>(60,370)</u>	<u>(60,370)</u>	<u>(95,152)</u>	<u>(34,782)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (410,618)</u>	<u>788,732</u>	1,993,123	<u>1,204,391</u>
FUND BALANCE, JANUARY 1			<u>7,489,561</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 9,482,684</u>	

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION - SCHEDULE OF
REVENUES, EXPENDITURES, AND CHANGE IN FUND
BALANCE - BUDGET AND ACTUAL - SPECIAL ALLOCATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,575,400	1,561,000	1,446,906	(114,094)
Public utility licenses	-	13,000	16,843	3,843
Investment income	3,888	3,888	2,804	(1,084)
Total Revenues	<u>1,579,288</u>	<u>1,577,888</u>	<u>1,466,553</u>	<u>(111,335)</u>
EXPENDITURES				
Administration	<u>9,400</u>	<u>11,900</u>	<u>15,423</u>	<u>3,523</u>
REVENUES OVER EXPENDITURES				
	<u>1,569,888</u>	<u>1,565,988</u>	<u>1,451,130</u>	<u>(114,858)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	125,739	200,739	200,762	23
Transfers out	<u>(1,695,627)</u>	<u>(1,766,727)</u>	<u>(1,651,892)</u>	<u>114,835</u>
Total Other Financing Sources (Uses)	<u>(1,569,888)</u>	<u>(1,565,988)</u>	<u>(1,451,130)</u>	<u>114,858</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JANUARY 1			<u>-</u>	
FUND BALANCE, DECEMBER 31			<u>\$ -</u>	

CITY OF BALLWIN, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2008

Budgetary Data

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

- a. Each year the City Administrator submits to the Board of Aldermen a proposed operating budget for the fiscal period. The operating budget includes proposed expenditures and the means of financing them for all funds except the Debt Service Funds.
- b. The budget is legally enacted by ordinance after public hearings are held to obtain taxpayer comments.
- c. Budgetary amounts are reported as originally adopted, or as amended by the Board of Aldermen.
- d. Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles, except that the other financing source and related capital outlay of capital leases and debt issues in the year the City enters into the agreement are not budgeted.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF BALLWIN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - CAPITAL PROJECTS FUND - BUDGET BASIS
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
REVENUES				
Taxes				
Sales tax	\$ 2,436,000	2,436,000	2,174,159	(261,841)
Gasoline	900,000	900,000	884,310	(15,690)
County road tax	80,000	80,000	101,585	21,585
Total Taxes	<u>3,416,000</u>	<u>3,416,000</u>	<u>3,160,054</u>	<u>(255,946)</u>
Investment Income	<u>45,000</u>	<u>45,000</u>	<u>15,631</u>	<u>(29,369)</u>
Donations	<u>80,000</u>	<u>80,000</u>	<u>10,000</u>	<u>(70,000)</u>
Grants and Entitlements	<u>5,600</u>	<u>5,600</u>	<u>5,670</u>	<u>70</u>
Miscellaneous				
Administration	-	-	14,008	14,008
Miscellaneous	-	-	1,983	1,983
Total Miscellaneous	<u>-</u>	<u>-</u>	<u>15,991</u>	<u>15,991</u>
Total Revenues	<u>3,546,600</u>	<u>3,546,600</u>	<u>3,207,346</u>	<u>(339,254)</u>
EXPENDITURES				
Capital Outlay				
Administration:				
Support services	637,500	637,500	37,035	(600,465)
Information's services	56,200	56,200	53,335	(2,865)
Total Administration	<u>693,700</u>	<u>693,700</u>	<u>90,370</u>	<u>(603,330)</u>
Public works:				
Sidewalks	52,000	52,000	52,773	773
Pavement maintenance	1,099,662	1,099,662	1,052,395	(47,267)
Traffic control	8,000	8,000	-	(8,000)
Snow and ice control	49,000	49,000	48,959	(41)
Support services	110,500	110,500	75,735	(34,765)
Total Public Works	<u>1,319,162</u>	<u>1,319,162</u>	<u>1,229,862</u>	<u>(89,300)</u>
Police:				
Field operations	96,865	96,865	104,349	7,484

(Continued)

CITY OF BALLWIN, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND
ACTUAL - CAPITAL PROJECTS FUND - BUDGET BASIS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
EXPENDITURES (Continued)				
Parks and recreation:				
Parks	110,258	110,258	67,912	(42,346)
Golf operations	143,000	143,000	64,755	(78,245)
Pool	16,000	16,000	14,069	(1,931)
Community center	51,700	51,700	36,073	(15,627)
Total Parks And Recreation	<u>320,958</u>	<u>320,958</u>	<u>182,809</u>	<u>(138,149)</u>
Total Capital Outlay	<u>2,430,685</u>	<u>2,430,685</u>	<u>1,607,390</u>	<u>(823,295)</u>
Debt Service				
Principal	830,000	830,000	830,000	-
Interest	205,755	205,755	205,755	-
Other	-	-	(56)	(56)
Total Debt Service	<u>1,035,755</u>	<u>1,035,755</u>	<u>1,035,699</u>	<u>(56)</u>
Total Expenditures	<u>3,466,440</u>	<u>3,466,440</u>	<u>2,643,089</u>	<u>(823,351)</u>
REVENUES OVER				
EXPENDITURES				
	<u>80,160</u>	<u>80,160</u>	<u>564,257</u>	<u>484,097</u>
OTHER FINANCING SOURCES				
(USES)				
Transfers out	(774,831)	(774,831)	(782,019)	(7,188)
Sale/insurance reimbursement of/from capital assets	<u>20,000</u>	<u>20,000</u>	<u>73,221</u>	<u>53,221</u>
Total Other Financing Sources (Uses)	<u>(754,831)</u>	<u>(754,831)</u>	<u>(708,798)</u>	<u>46,033</u>
NET CHANGE IN FUND				
BALANCE				
	<u>\$ (674,671)</u>	<u>(674,671)</u>	<u>(144,541)</u>	<u>530,130</u>
FUND BALANCE, JANUARY 1			<u>877,815</u>	
FUND BALANCE, DECEMBER 31			<u>\$ 733,274</u>	