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**CITY OF BALLWIN,  
MISSOURI**

**FINANCIAL REPORT  
(Audited)**

Year Ended December 31, 2009

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**CITY OF BALLWIN, MISSOURI**  
**FINANCIAL REPORT**

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

## **INDEPENDENT AUDITORS' REPORT**

May 17, 2010

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, 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'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, 2009, 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
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In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2010 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.

  
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF BALLWIN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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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, 2009. 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 2009 by \$49,950,205 (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 \$14,760,643, an increase of \$58,087 in comparison with the total fund balance at fiscal year end December 31, 2008. 67% of the total governmental fund balances, or \$9,898,784, 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 \$9,608,023, or approximately 64% of total General Fund revenues (\$14,924,417) and 68% of General Fund expenditures (\$14,163,958).
- The City's total debt decreased by \$2,032,199 during the current fiscal year, leaving a debt balance of \$24,534,380.

**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, 2009**

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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 for the General Fund, Special Allocation Fund, Capital Projects Fund, and the Town Center Debt Service Fund, all of which are considered to be 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 nonmajor governmental funds is provided in the form of combining statements in the other supplemental information section of this report.

A General Fund annual appropriations budget is adopted by the City as required by the General Statutes. A separate Capital Projects Fund budget, Special Allocation Fund budget, Debt Service Fund budget, and Sewer Lateral 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.

**CITY OF BALLWIN, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**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.

**Required supplemental information.** This management's discussion and analysis and budgetary comparison schedule for the General Fund and Special Allocation 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 combining and individual fund statements, referred to earlier in connection with nonmajor governmental funds, and a budgetary comparison schedule for the other budgeted funds. 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:

	<b>December 31</b>		<b>2009 Change</b>	
	<b>2009</b>	<b>2008</b>	<b>Amount</b>	<b>Percent</b>
<b>ASSETS</b>				
Current and other assets	\$ 15,959,798	16,047,973	(88,175)	(0.5) %
Capital assets, net	59,997,481	60,304,065	(306,584)	(0.5)
Total Assets	<u>75,957,279</u>	<u>76,352,038</u>	<u>(394,759)</u>	(0.5)
<b>LIABILITIES</b>				
Long-term liabilities	24,555,880	26,588,079	(2,032,199)	(7.6)
Other liabilities	1,451,194	1,632,785	(181,591)	(11.1)
Total Liabilities	<u>26,007,074</u>	<u>28,220,864</u>	<u>(2,213,790)</u>	(7.8)
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	52,105,820	51,081,382	1,024,438	2.0
Restricted	4,652,210	5,488,135	(835,925)	(15.2)
Unrestricted (deficiency)	<u>(6,807,825)</u>	<u>(8,438,343)</u>	<u>1,630,518</u>	19.3
Total Net Assets	<u>\$ 49,950,205</u>	<u>48,131,174</u>	<u>1,819,031</u>	3.8 %

**CITY OF BALLWIN, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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 \$16,110,000 in outstanding Tax Increment Financing Refunding Bonds Series 2002 for infrastructure assets not owned by the City. These bonds are limited obligations of the City and are funded only by incremental revenues generated within the TIF 2-A district.

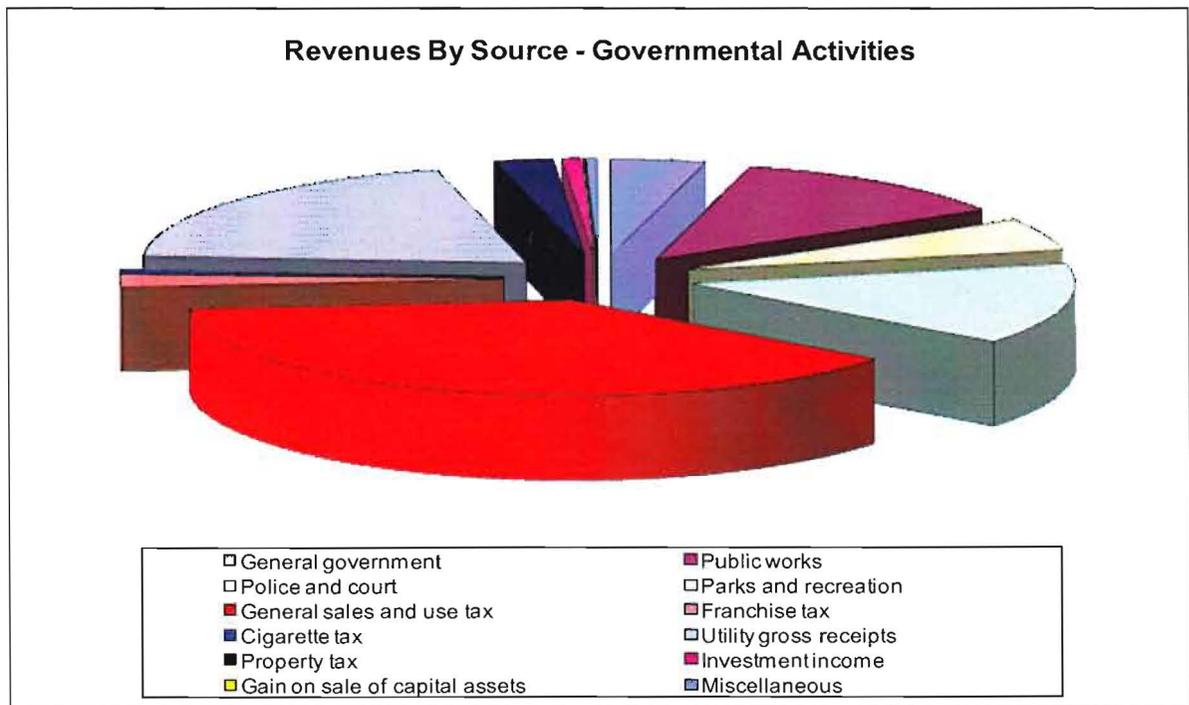
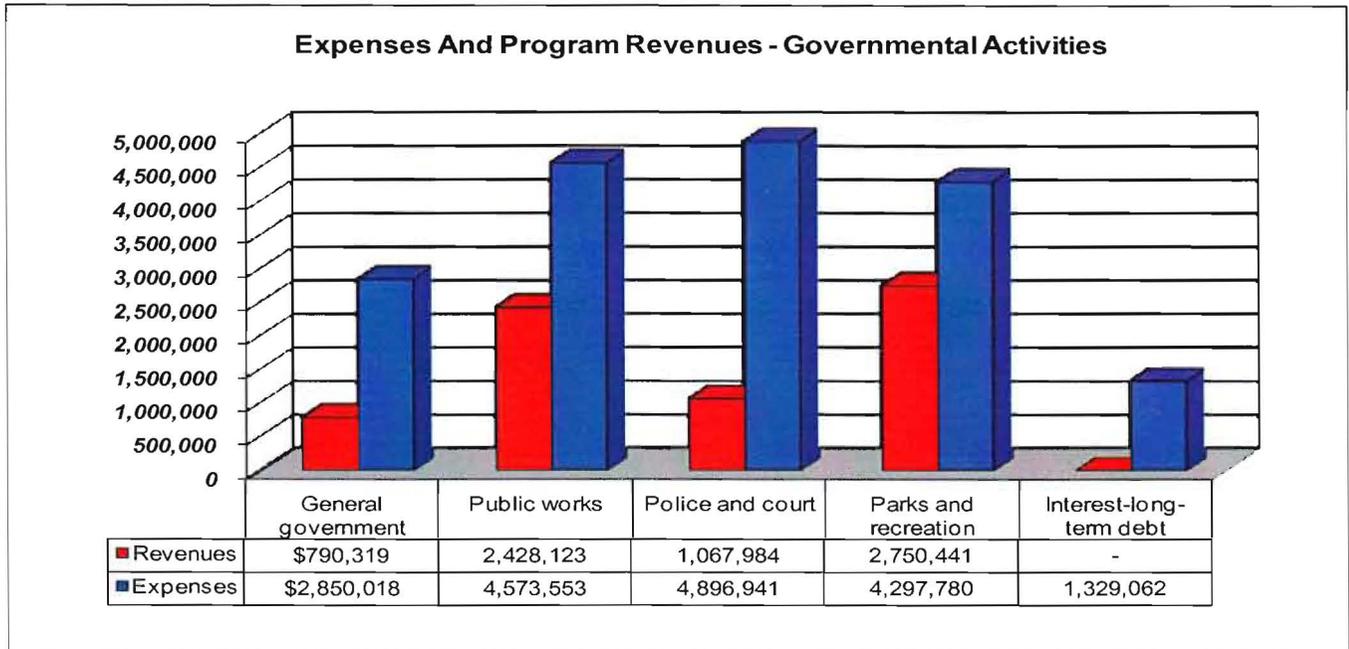
**Governmental activities.** Governmental activities increased the City's net assets by \$1,819,031.

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

	For The Years		2009 Change	
	Ended December 31		Amount	Percent
	2009	2008		
<b>REVENUES</b>				
Program revenues:				
Charges for services	\$ 4,699,448	4,799,426	(99,978)	(2.1) %
Operating grants and contributions	1,845,535	1,925,446	(79,911)	(4.2)
Capital grants and contributions	491,884	-	491,884	100.0
General revenues:				
Taxes	12,479,386	13,140,724	(661,338)	(5.0)
Investment income	154,947	415,496	(260,549)	(62.7)
Gain on sale of capital assets	1,359	-	1,359	100.0
Miscellaneous	93,826	114,513	(20,687)	(18.1)
Total Revenues	<u>19,766,385</u>	<u>20,395,605</u>	<u>(629,220)</u>	<u>(3.1)</u>
<b>EXPENSES</b>				
General government	2,850,018	2,741,729	108,289	3.9
Public works	4,573,553	5,043,685	(470,132)	(9.3)
Police and court	4,896,941	4,749,857	147,084	3.1
Parks and recreation	4,297,780	4,423,563	(125,783)	(2.8)
Interest on long-term debt	1,329,062	1,461,950	(132,888)	(9.1)
Total Expenses	<u>17,947,354</u>	<u>18,420,784</u>	<u>(473,430)</u>	<u>(2.6)</u>
<b>CHANGE IN NET ASSETS</b>	1,819,031	1,974,821	(155,790)	(7.9)
NET ASSETS, JANUARY 1	<u>48,131,174</u>	<u>46,156,353</u>	<u>1,974,821</u>	4.3
<b>NET ASSETS, DECEMBER 31</b>	<u>\$ 49,950,205</u>	<u>48,131,174</u>	<u>1,819,031</u>	3.8 %

**Significant changes in net assets.** The primary increase in net assets is attributable to increased utility tax revenue due to a 2008 rate increase, and a \$2,032,199 reduction in debt.

**CITY OF BALLWIN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**



**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, 2009 the governmental funds reflected a combined fund balance of \$14,760,643. The \$58,087 increase in fund balance from December 31, 2008 is due primarily to higher utility tax revenues from a tax increase, and lower than anticipated operating and capital expenditures.

**CITY OF BALLWIN, MISSOURI**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

The major capital expenditure for 2009 was \$918,988 in street improvements. The majority of remaining capital expenditures was transfers out for debt payments.

A total of \$9,898,784, or 67% of the combined total fund balances, constitutes *unreserved fund balance*, which generally is available for spending at the government's discretion.

**BUDGETARY HIGHLIGHTS**

Amendments to the General Fund, Capital Projects Fund, and Special Allocation Fund budgets were approved by the Board of Aldermen in August 2009 and December 2009. General Fund revenues were increased/decreased to accommodate sales taxes, telephone gross receipts taxes, motor fuel taxes, and loan proceeds for fitness equipment purchases. The amendment also included decreases in motor fuel costs as well as new equipment costs. Capital Projects Fund budgeted sales tax and motor fuel tax revenues were decreased and offset by the elimination of expenditures including a pedestrian warning system, addition to the police department, and street improvements.

Most revenues were relatively constant with budget. Final sales tax budgets for 2009 were 16% below 2008 budgeted figures, but resulted in 7-8% less than 2008 actual revenue. Interest income earned on bank cash accounts were 74% of budget expectations. Recreational fees averaged 95% of budget.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At December 31, 2009, the City's net capital assets totaled \$59,997,481. 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.

	<b>December 31</b>	
	<b>2009</b>	<b>2008</b>
Capital assets:		
Land and improvements	\$ 6,988,868	6,719,080
Buildings and improvements	22,142,590	21,875,428
Historical treasures	247,573	247,573
Furniture and fixtures	109,074	51,698
Machinery and equipment	2,304,634	2,158,417
Vehicles	2,027,740	1,889,474
Intangible assets	127,011	116,250
Infrastructure	83,749,545	82,498,213
Right-of-way	12,834,104	12,798,034
Construction in progress	-	97,633
	<u>130,531,139</u>	<u>128,451,800</u>
Less - Accumulated depreciation	<u>(70,533,658)</u>	<u>(68,147,735)</u>
Total Capital Assets	<u>\$ 59,997,481</u>	<u>60,304,065</u>

**CITY OF BALLWIN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

The City had capital asset disposals of \$136,858, which consisted of police and public works vehicles.

Capital assets added in 2009 totaled \$2,472,499. The largest portion of this involved infrastructure improvements of \$1,251,332 and vehicle purchases totaling \$275,124. Depreciation totaling \$2,478,134 resulted in net capital assets decreasing \$306,584.

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

**Long-term debt.** At December 31, 2009, the City had outstanding long-term debt obligations in the amount of \$24,534,380. This debt includes \$2,820,000 in refunded general obligation bonds (rated Aa2-Moody's), \$67,406 in premium for the general obligation bonds, \$4,920,000 in a certificate of participation issue (rated Aaa-Moody's), and \$16,110,000 in tax increment financing bonds. A capital lease for fitness equipment was issued in 2009 with a balance of \$84,255 at year end. Compensated absences totaled \$532,719.

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

	<b>December 31</b>	
	<b>2009</b>	<b>2008</b>
General obligation bonds, Series 2008	\$ 2,820,000	3,695,000
Premium on general obligation bonds	67,406	92,683
Certificates of participation, Series 2002	4,920,000	5,435,000
TIF bonds - 2002 issue	16,110,000	16,870,000
Capital lease obligations	84,255	-
Compensated absences	532,719	473,896
Total Long-term Debt	\$ 24,534,380	26,566,579

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

**SIGNIFICANT VARIANCES BETWEEN BUDGETS AND ACTUAL EXPENDITURES**

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

- Part-time salaries for The Pointe recreation center were 25% below budget due to using full-time employees to cover the workload and the elimination of a front desk attendant position.
- Instructor services for The Pointe were 60% below budget due to the elimination of programs resulting from low enrollment.
- Legal expenses were 18% above budget due to a lawsuit late in the year.

**CITY OF BALLWIN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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- Crack sealing of streets resulted in spending only 56% of budget due to poor weather conditions not allowing the work to be completed in 2009.
- Regular salaries for the communications program ended at 91% of budget due to three positions being vacated and partially filled with part-time employees and a lapse in time before filling the full-time positions.
- Budget items such as travel/training, supplies and public relations were purposely contained to decrease costs.

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

- Parking lot reconstruction at the Government Center cost 15% less than budget due to projections of asphalt prices being overestimated.
- Asphalt overlay prices for city streets resulted in only 86% of budget being used due to the drop in costs of asphalt and concrete.
- The \$30,000 budget for design fees of a trail system was not spent due to the Board declining the single bid obtained for the project.
- A portion of golf course bridge reconstruction was not able to be completed in 2009 due to weather conditions, resulting in \$21,043 not being spent.
- A climbing wall for The Pointe recreation center was no longer available at year-end, resulting in \$19,704 not being spent.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Sales taxes for 2009 were about 7% less than those collected during 2008. The 2009 budget for sales tax was reduced from the 2008 budget and resulted in 105% of final budget. A major furniture store closed in 2009, but construction began on a new retail development in the northeast sector of Ballwin. The development will include a CVS Pharmacy, two restaurants, and an assisted living residence.

The 2010 budgets for the City reflect a projected 3% decline in sales tax revenue from those of the final 2009 budgets even though these revenues have been increasing. No General Fund reserves were needed to cover expenditures for year-end 2009. General Fund balance needed to balance the proposed 2010 operating budget is \$276,577. None of the \$290,761 unreserved Capital Projects Fund balance at year-end 2009 is projected to be used for the Capital Projects Fund budget for 2010.

**CITY OF BALLWIN, MISSOURI  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

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**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, 2009**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash	\$ 1,738,940
Investments	6,396,500
Prepaid items	272,949
Receivables:	
Taxes	2,729,863
Court	40,846
Grants	147,484
Interest	215
Other	32,340
Bond issue costs	49,078
Inventories	6,841
Restricted assets:	
Cash	1,170,607
Investments	3,374,135
Capital assets:	
Land and other nondepreciable assets	20,070,545
Other capital assets, net of accumulated depreciation	39,926,936
Total Assets	75,957,279
<b>LIABILITIES</b>	
Accounts payable	238,802
Accrued wages and benefits	286,878
Accrued liabilities	562,562
Deposits	16,265
Unearned revenue	4,724
Accrued interest	341,963
Noncurrent liabilities:	
Due within one year	2,225,150
Due in more than one year	22,309,230
Due in more than one year - net OPEB obligation	21,500
Total Liabilities	26,007,074
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	52,105,820
Restricted for debt service	4,027,706
Restricted for sewer lateral	245,032
Restricted for capital projects	379,472
Unrestricted (deficiency)	(6,807,825)
Total Net Assets	\$ 49,950,205

See notes to financial statements

**CITY OF BALLWIN, MISSOURI**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

		Program Revenues			Net Revenues (Expenses) And Change In Net Assets
FUNCTIONS/PROGRAMS	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
<b>Governmental Activities</b>					
General government	\$ 2,850,018	782,215	8,104	-	(2,059,699)
Public works	4,573,553	288,529	1,788,339	351,255	(2,145,430)
Police and court	4,896,941	1,030,148	37,836	-	(3,828,957)
Parks and recreation	4,297,780	2,598,556	11,256	140,629	(1,547,339)
Interest on long-term debt	1,329,062	-	-	-	(1,329,062)
Total Governmental Activities	\$ 17,947,354	4,699,448	1,845,535	491,884	(10,910,487)
 <b>General Revenues</b>					
Taxes:					
General sales and use					7,510,063
Franchise					413,565
Cigarette					91,368
Utility gross receipts					3,977,530
Property					486,860
Investment income					154,947
Gain on sale of capital assets					1,359
Miscellaneous					93,826
Total General Revenues					12,729,518
 <b>CHANGE IN NET ASSETS</b>					1,819,031
 <b>NET ASSETS, JANUARY 1</b>					48,131,174
 <b>NET ASSETS, DECEMBER 31</b>					\$ 49,950,205

See notes to financial statements

**CITY OF BALLWIN, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2009**

	<u>General</u>	<u>Special Allocation</u>	<u>Capital Projects</u>	<u>Town Center Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash	\$ 1,738,940	-	-	-	-	1,738,940
Investments	6,396,500	-	-	-	-	6,396,500
Prepaid items	272,949	-	-	-	-	272,949
Receivables:						
Taxes	1,699,255	495,812	534,796	-	-	2,729,863
Court	40,846	-	-	-	-	40,846
Grants	6,855	-	140,629	-	-	147,484
Interest	199	5	11	-	-	215
Other	29,819	-	2,521	-	-	32,340
Inventories	6,841	-	-	-	-	6,841
Restricted assets:						
Cash	740,051	83,156	102,368	-	245,032	1,170,607
Investments	-	-	-	2,630,262	743,873	3,374,135
Due from other funds	326,060	74,815	-	653,571	-	1,054,446
	<u>326,060</u>	<u>74,815</u>	<u>-</u>	<u>653,571</u>	<u>-</u>	<u>1,054,446</u>
Total Assets	<u>\$ 11,258,315</u>	<u>653,788</u>	<u>780,325</u>	<u>3,283,833</u>	<u>988,905</u>	<u>16,965,166</u>

**CITY OF BALLWIN, MISSOURI**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2009**

	<u>General</u>	<u>Special Allocation</u>	<u>Capital Projects</u>	<u>Town Center Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 225,134	79	13,589	-	-	238,802
Accrued wages and benefits	286,878	-	-	-	-	286,878
Accrued liabilities	547,855	-	14,707	-	-	562,562
Due to other funds	30,701	653,709	370,036	-	-	1,054,446
Deposits	16,265	-	-	-	-	16,265
Deferred revenue	43,049	-	2,521	-	-	45,570
Total Liabilities	<u>1,149,882</u>	<u>653,788</u>	<u>400,853</u>	<u>-</u>	<u>-</u>	<u>2,204,523</u>
<b>Fund Balances</b>						
Reserved for:						
Prepaid items	272,949	-	-	-	-	272,949
Inventories	6,841	-	-	-	-	6,841
Debt service	-	-	-	3,283,833	743,873	4,027,706
Sewer lateral	-	-	-	-	245,032	245,032
Police	208,255	-	-	-	-	208,255
Community programs	12,365	-	-	-	-	12,365
Recreation	-	-	408	-	-	408
Special projects	-	-	88,303	-	-	88,303
Unreserved:						
General Fund	9,608,023	-	-	-	-	9,608,023
Capital Projects Funds	-	-	290,761	-	-	290,761
Total Fund Balances	<u>10,108,433</u>	<u>-</u>	<u>379,472</u>	<u>3,283,833</u>	<u>988,905</u>	<u>14,760,643</u>
Total Liabilities And Fund Balances	<u>\$ 11,258,315</u>	<u>653,788</u>	<u>780,325</u>	<u>3,283,833</u>	<u>988,905</u>	<u>16,965,166</u>

**CITY OF BALLWIN, MISSOURI**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**

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Total Fund Balances - Governmental Funds	\$ 14,760,643
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
<p>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 \$130,531,139 and the accumulated depreciation is \$70,533,658.</p>	59,997,481
<p>Municipal court receivables are assessed by the City, but are not collected as of December 31, 2009 and deferred within the governmental funds financial statements. However, revenue for this amount is recognized in the government-wide financial statements.</p>	40,846
<p>Net OPEB obligation is not a use of financial resources and, therefore, is not reported in the governmental funds.</p>	(21,500)
<p>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 :</p>	
Compensated absences	(532,719)
General obligation bonds	(2,820,000)
Certificates of participation	(4,920,000)
Tax increment bonds	(16,110,000)
Capital leases	(84,255)
Accrued interest payable	(341,963)
Unamortized bond premium	(67,406)
Unamortized bond issuance cost	49,078
	49,950,205
Total Net Assets Of Governmental Activities	\$ 49,950,205

**CITY OF BALLWIN, MISSOURI**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	General	Special Allocation	Capital Projects	Town Center Debt Service	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 5,865,216	1,289,796	2,720,940	-	288,529	10,164,481
Licenses and permits	1,195,779	-	-	-	-	1,195,779
Public utility licenses	3,955,937	21,593	-	-	-	3,977,530
Court fines	721,824	-	-	-	-	721,824
False alarm fines	11,575	-	-	-	-	11,575
Police and communications	269,174	-	-	-	-	269,174
Community programs	2,598,556	-	-	-	-	2,598,556
Investment income (loss)	160,334	195	571	(7,582)	1,429	154,947
Donations	11,090	-	5,678	-	-	16,768
Grants and entitlements	41,106	-	140,629	-	-	181,735
Miscellaneous	93,826	-	-	-	-	93,826
Total Revenues	<u>14,924,417</u>	<u>1,311,584</u>	<u>2,867,818</u>	<u>(7,582)</u>	<u>289,958</u>	<u>19,386,195</u>
<b>EXPENDITURES</b>						
Current:						
Administration	2,304,562	9,568	-	6,325	311,760	2,632,215
Public works	2,869,227	-	-	-	-	2,869,227
Police	4,768,674	-	-	-	-	4,768,674
Parks and recreation	3,560,079	-	-	-	-	3,560,079
Capital outlay	661,416	-	1,479,919	-	-	2,141,335
Debt service:						
Principal	-	-	-	760,000	1,390,000	2,150,000
Interest	-	-	-	1,010,200	349,304	1,359,504
Total Expenditures	<u>14,163,958</u>	<u>9,568</u>	<u>1,479,919</u>	<u>1,776,525</u>	<u>2,051,064</u>	<u>19,481,034</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>760,459</u>	<u>1,302,016</u>	<u>1,387,899</u>	<u>(1,784,107)</u>	<u>(1,761,106)</u>	<u>(94,839)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of capital lease	106,920	-	-	-	-	106,920
Transfers in	-	38,745	-	1,340,761	1,990,592	3,370,098
Transfers out	(287,636)	(1,340,761)	(1,741,701)	-	-	(3,370,098)
Sale of capital assets	46,006	-	-	-	-	46,006
Total Other Financing Sources (Uses)	<u>(134,710)</u>	<u>(1,302,016)</u>	<u>(1,741,701)</u>	<u>1,340,761</u>	<u>1,990,592</u>	<u>152,926</u>
<b>NET CHANGE IN FUND BALANCES</b>	625,749	-	(353,802)	(443,346)	229,486	58,087
FUND BALANCES, JANUARY 1	<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>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 10,108,433</u>	<u>-</u>	<u>379,472</u>	<u>3,283,833</u>	<u>988,905</u>	<u>14,760,643</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, 2009**

Net Change In Fund Balances - Governmental Funds \$ 58,087

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

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 (\$2,478,134) exceeded capital outlays over the capitalization threshold (\$1,864,942) in the current period. (613,192)

The net effect of various miscellaneous transactions involving capital assets:

Cost of disposals, net of accumulated depreciation	(44,647)	
Contribution of infrastructure	351,255	306,608

Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds financial statements. 27,576

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.

Debt issued during the current year:

Capital lease	(106,920)	
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Repayments during the current year:

Principal payments on bonds	2,150,000	
Principal payments on leases included in fund expenditures	22,665	2,065,745

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:

Accrued compensated absences	(58,823)	
Accrued interest on debt	26,157	
Amortized bond issuance cost	(18,404)	
Amortized bond premium	25,277	(25,793)

Change In Net Assets Of Governmental Activities \$ 1,819,031

**CITY OF BALLWIN, MISSOURI**  
**STATEMENT OF FIDUCIARY NET ASSETS -**  
**POLICE PENSION FUND**  
**DECEMBER 31, 2009**

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**ASSETS**

Cash and investments

\$ 3,388,568

**NET ASSETS HELD IN TRUST FOR**  
**PENSION BENEFITS**

\$ 3,388,568

**CITY OF BALLWIN, MISSOURI**  
**STATEMENT OF CHANGES IN FIDUCIARY NET**  
**ASSETS - POLICE PENSION FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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**ADDITIONS**

Investment income:	
Net appreciation in fair value of investments and interest and dividends	\$ 518,488
Less - Investment expense	<u>(8,089)</u>
Total Investment Income	510,399
Employer contributions	<u>216,397</u>
Total Additions - Net	726,796

**DEDUCTIONS**

Benefits paid	<u>344,748</u>
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**CHANGE IN NET ASSETS** 382,048

NET ASSETS HELD IN TRUST FOR PENSION  
BENEFITS, JANUARY 1 3,006,520

**NET ASSETS HELD IN TRUST FOR PENSION**  
**BENEFITS, DECEMBER 31** \$ 3,388,568

**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.

**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, 2010.

**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. Deferred Revenue**

Deferred revenue in the fund financial statements is composed of court receivables and various other fees which are not collected within 60 days following the end of the current period. Other funds received to be used for future expenditures are recorded as deferred revenue in the government-wide and fund financial statements.

**13. 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 BALLWIN, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

Custodial Credit Risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation.

As of December 31, 2009, 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, 2009, the City had the following investments:

<u>Investments</u>	<u>Fair Market Value</u>	<u>Maturities</u>			<u>More Than 10 Years</u>	<u>Credit Risk</u>
		<u>No Maturity</u>	<u>Less Than One Year</u>	<u>6-10 Years</u>		
<b>Primary Government</b>						
Certificates of deposit	\$ 6,138,968	-	6,138,968	-	-	N/A
Government securities:						
Federal agencies	2,187,819	-	250,000	659,600	1,278,219	AAA
Money market funds	1,443,848	1,443,848	-	-	-	Not rated
Total Primary Government Investments	<u>9,770,635</u>	<u>1,443,848</u>	<u>6,388,968</u>	<u>659,600</u>	<u>1,278,219</u>	
<b>Fiduciary Funds</b>						
Money market funds	41,348	41,348	-	-	-	Not rated
Mutual funds	3,347,220	3,347,220	-	-	-	N/A
Total Fiduciary Funds Investments	<u>3,388,568</u>	<u>3,388,568</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Grand Total Investments	<u>\$ 13,159,203</u>	<u>4,832,416</u>	<u>6,388,968</u>	<u>659,600</u>	<u>1,278,219</u>	

**NOTE B - CASH AND INVESTMENTS (Continued)**

**2. Investments (Continued)**

**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 institutions, 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, 2009			
	December 31 2008	Transfers/ Additions	Transfers/ Deletions	
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 5,183,891	-	-	5,183,891
Land improvements	1,535,189	269,788	-	1,804,977
Historical treasures	247,573	-	-	247,573
Right-of-way	12,798,034	36,070	-	12,834,104
Construction in progress	97,633	158,669	256,302	-
Total Capital Assets Not Being Depreciated	<u>19,862,320</u>	<u>464,527</u>	<u>256,302</u>	<u>20,070,545</u>
Capital assets being depreciated:				
Buildings	21,562,949	-	-	21,562,949
Building improvements	312,479	267,162	-	579,641
Furniture and fixtures	51,698	57,376	-	109,074
Infrastructure	82,498,213	1,251,332	-	83,749,545
Intangible assets	116,250	10,761	-	127,011
Machinery and equipment	2,158,417	146,217	-	2,304,634
Vehicles	1,889,474	275,124	136,858	2,027,740
Total Capital Assets Being Depreciated	<u>108,589,480</u>	<u>2,007,972</u>	<u>136,858</u>	<u>110,460,594</u>
Less - Accumulated depreciation for:				
Buildings	6,893,128	609,820	-	7,502,948
Building improvements	57,587	18,880	-	76,467
Furniture and fixtures	11,672	13,477	-	25,149
Infrastructure	58,694,223	1,516,938	-	60,211,161
Intangible assets	97,595	4,552	-	102,147
Machinery and equipment	1,385,136	124,577	-	1,509,713
Vehicles	1,008,394	189,890	92,211	1,106,073
Total Accumulated Depreciation	<u>68,147,735</u>	<u>2,478,134</u>	<u>92,211</u>	<u>70,533,658</u>
Total Capital Assets Being Depreciated, Net	<u>40,441,745</u>	<u>(470,162)</u>	<u>44,647</u>	<u>39,926,936</u>
Governmental Activities Capital Assets, Net	<u>\$ 60,304,065</u>	<u>(5,635)</u>	<u>300,949</u>	<u>59,997,481</u>

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

	For The Year Ended December 31 2009
<b>Governmental Activities</b>	
General government	\$ 54,297
Public works	1,650,364
Police and court	106,665
Parks and recreation	666,808
Total	<u>\$ 2,478,134</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 2009</u>
General	Capital Projects	\$ 325,922
General	Special Allocation	138
Special Allocation	General	30,701
Special Allocation	Capital Projects	44,114
Town Center Debt Service	Special Allocation	<u>653,571</u>
		<u>\$1,054,446</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>Nonmajor Funds</u>	
Transfers out:				
General	\$ 19,373	-	268,263	287,636
Special Allocation	-	1,340,761	-	1,340,761
Capital Projects	<u>19,372</u>	<u>-</u>	<u>1,722,329</u>	<u>1,741,701</u>
Total	<u>\$ 38,745</u>	<u>1,340,761</u>	<u>1,990,592</u>	<u>3,370,098</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)**

	For the Year Ended December 31, 2009			Balance December 31 2009	Amounts Due Within One Year
	Balance December 31 2008	Increases	Decreases		
Bonds payable:					
General obligation bonds	\$ 3,695,000	-	875,000	2,820,000	905,000
Plus - premium	92,683	-	25,277	67,406	-
Tax increment bonds	16,870,000	-	760,000	16,110,000	535,000
Other long-term obligations:					
Certificates of participator	5,435,000	-	515,000	4,920,000	535,000
Capital leases	-	106,920	22,665	84,255	35,150
Compensated absences	473,896	273,823	215,000	532,719	215,000
Total Long-term Liabilities	<u>\$ 26,566,579</u>	<u>380,743</u>	<u>2,412,942</u>	<u>24,534,380</u>	<u>2,225,150</u>

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

**General Obligation/Tax Increment Bonds**

Long-term debt includes the following bonds:

	<u>December 31 2009</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%.	\$ 2,820,000
\$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 6.5%.	
\$3,450,000 5.125% Series 2002B term bonds due October 1, 2022.	<u>16,110,000</u>
	<u>\$18,930,000</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:

	<b>December 31</b> <u><b>2009</b></u>
\$8,210,000 Series 2002 certificates of participation, principal due in annual installments through September 1, 2017; interest payable at 3% to 4.4%.	<u>\$4,920,000</u>

**Capital Leases**

In 2009, the City financed the acquisition of exercise equipment totaling \$106,920 using a capital lease with an interest rate of 4% payable in installments of \$3,157 per month through April 2012.

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

Equipment	\$106,920
Less - Accumulated depreciation	<u>62,030</u>
	<u>\$ 44,890</u>

Future long-term debt maturities are as follows:

For The Years Ended December 31	General Obligation Bonds		Tax Increment Bonds		Certificates Of Participation	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 905,000	98,438	535,000	969,350	535,000	200,436
2011	940,000	62,238	595,000	939,925	555,000	180,641
2012	975,000	31,688	680,000	906,456	575,000	159,551
2013	-	-	750,000	867,356	600,000	137,126
2014	-	-	850,000	822,356	625,000	113,126
2015-2019	-	-	6,400,000	3,161,106	2,030,000	178,410
2020-2022	-	-	6,300,000	825,319	-	-
	<u>\$ 2,820,000</u>	<u>192,364</u>	<u>16,110,000</u>	<u>8,491,868</u>	<u>4,920,000</u>	<u>969,290</u>
For The Years Ended December 31	Capital Leases		Total Long-term Debt			
	Principal	Interest	Principal	Interest		
2010	\$ 35,150	2,731	2,010,150	1,270,955		
2011	36,582	1,298	2,126,582	1,184,102		
2012	12,523	104	2,242,523	1,097,799		
2013	-	-	1,350,000	1,004,483		
2014	-	-	1,475,000	935,483		
2015-2019	-	-	8,430,000	3,339,516		
2020-2022	-	-	6,300,000	825,319		
	<u>\$ 84,255</u>	<u>4,133</u>	<u>23,934,255</u>	<u>9,657,657</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 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 4.1% (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 2009, the City's annual pension cost of \$184,348 was equal to the required and actual contributions. The required contribution was determined as part of the February 28/29, 2007 and 2008 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, 2009 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**

<b>For The Fiscal Year Ended June 30</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage Of APC Contributed</b>	<b>Net Pension Obligation</b>
2009	\$184,348	100%	\$ -
2008	212,682	100	-
2007	229,877	100	-

**Schedule of Funding Progress**

<b>For The Actuarial Valuation Years Ended February 28/29</b>	<b>Actuarial Value Of Assets</b>	<b>Entry Age Actuarial Accrued Liability</b>	<b>Excess Assets (Liabilities)</b>
2009	\$6,931,102	\$7,200,252	(\$ 269,150)
2008	8,060,533	6,593,268	1,467,265
2007	7,176,218	6,082,806	1,093,412

<b>For The Actuarial Valuation Years Ended February 28/29</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>Excess Assets As A Percentage Of Covered Payroll</b>
2009	96%	\$4,112,682	(6.5%)
2008	122	4,056,142	36.2
2007	118	4,034,481	27.1

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, 2009 were \$216,397. 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 \$4,652,210 of restricted net assets, of which \$624,504 is restricted by enabling legislation.

**CITY OF BALLWIN, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**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 most current actuarial valuation and the related information are as follows:

	<b>For The Year Ended December 31 <u>2008</u></b>
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	<u>-</u>
Annual OPEB Cost	31,000
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**

<b>Schedule Of Funding Progress (Dollars In Thousands)</b>						
<b>Valuation For The Actuarial Valuation January 1</b>	<b>Actuarial Value Of Assets (1)</b>	<b>Actuarial Accrued Liability (2)</b>	<b>Unfunded Accrued Liability (UAAL) (1)-(2)</b>	<b>Funded Ratio (1)/(2)</b>	<b>Covered Payroll (3)</b>	<b>UAAL As A Percentage Of Covered Payroll (1-2)/(3)</b>
2008	\$ -	\$254	(\$254)	- %	\$6,700	4%

<b>Schedule Of Employer Contributions (Dollars In Thousands)</b>				
<b>For The Year Ended December 31</b>	<b>Annual Required Cost</b>	<b>Contribution Made</b>	<b>Percent Contributed</b>	
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 - FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* (GASB 51), establishes standards for the measurement and recording of the estimated historical cost for land associated with right-of-way and easements. GASB 51 will be effective for the City for the year ending December 31, 2010. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), establishes standards for the policies and disclosures for fund balance among other things. GASB 54 will be effective for the City for the year ending December 31, 2011. The City, however, has not yet completed its assessment of the statement or the potential impact of the statement on its financial position.

**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, 2009**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
<b>Taxes</b>				
Sales tax	\$ 5,034,000	4,534,000	4,750,258	216,258
Motor vehicle fees	305,000	381,000	399,494	18,494
County road tax	655,000	655,000	624,096	(30,904)
Cigarette	103,000	95,000	91,368	(3,632)
Total Taxes	<u>6,097,000</u>	<u>5,665,000</u>	<u>5,865,216</u>	<u>200,216</u>
<b>Licenses and Permits</b>				
Building and sign permits	92,475	92,475	79,680	(12,795)
Cable television franchise fees	358,885	388,885	413,565	24,680
Inspection and occupancy permits	88,950	88,950	86,917	(2,033)
Liquor licenses	13,000	15,000	16,779	1,779
Merchants and contractors licenses	490,000	498,500	504,864	6,364
Mechanical and electrical permits	25,000	25,000	41,787	16,787
Plumbing and excavation permits	62,350	62,350	52,187	(10,163)
Total Licenses And Permits	<u>1,130,660</u>	<u>1,171,160</u>	<u>1,195,779</u>	<u>24,619</u>
<b>Public Utility Licenses</b>				
Electric	1,175,643	1,090,643	1,111,501	20,858
Telephone	1,057,599	1,653,599	1,652,684	(915)
Gas	1,027,457	1,027,457	936,477	(90,980)
Water	260,001	201,301	255,275	53,974
Total Public Utility Licenses	<u>3,520,700</u>	<u>3,973,000</u>	<u>3,955,937</u>	<u>(17,063)</u>
<b>Court Fines</b>				
	<u>760,000</u>	<u>760,000</u>	<u>721,824</u>	<u>(38,176)</u>
<b>False Alarm Fines</b>				
	<u>6,000</u>	<u>6,000</u>	<u>11,575</u>	<u>5,575</u>
<b>Police and Communications</b>				
	<u>204,102</u>	<u>204,102</u>	<u>269,174</u>	<u>65,072</u>
<b>Community Programs</b>				
<b>Pool:</b>				
Concessions	157,000	125,000	122,855	(2,145)
Daily admissions	239,000	239,000	208,610	(30,390)
Season passes	123,070	136,570	149,555	12,985
Swim team	16,000	16,000	14,404	(1,596)
Rental fees	18,000	18,000	14,076	(3,924)
Miscellaneous	9,850	9,850	11,362	1,512
Total Pool	<u>562,920</u>	<u>544,420</u>	<u>520,862</u>	<u>(23,558)</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, 2009**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES (Continued)</b>				
<b>Community Programs (Continued)</b>				
Community center:				
Concessions	25,000	25,000	16,334	(8,666)
Daily admissions	131,000	131,000	103,772	(27,228)
Punch cards	103,000	103,000	82,283	(20,717)
Season passes	662,425	637,425	668,516	31,091
Program fees	299,200	289,200	248,177	(41,023)
Summer camp fees	35,400	73,500	74,004	504
Rental fees	70,000	70,000	68,486	(1,514)
Identification fees	18,000	18,000	13,355	(4,645)
Miscellaneous	100	100	131	31
Total Community Center	<u>1,344,125</u>	<u>1,347,225</u>	<u>1,275,058</u>	<u>(72,167)</u>
Golf course:				
Green fees	492,250	492,250	472,545	(19,705)
Cart rental	133,000	135,000	133,233	(1,767)
Program fees	-	1,100	2,087	987
Season passes	1,000	1,000	2,275	1,275
Miscellaneous	2,250	2,250	3,271	1,021
Total Golf Course	<u>628,500</u>	<u>631,600</u>	<u>613,411</u>	<u>(18,189)</u>
Recreational complex and golf shop:				
Concessions and miscellaneous	95,500	95,500	79,080	(16,420)
Complex rental fees	37,825	41,525	53,138	11,613
Total Recreational Complex And Golf Shop	<u>133,325</u>	<u>137,025</u>	<u>132,218</u>	<u>(4,807)</u>
Ballwin Days	66,000	66,000	57,007	(8,993)
Total Community Programs	<u>2,734,870</u>	<u>2,726,270</u>	<u>2,598,556</u>	<u>(127,714)</u>
<b>Investment Income</b>	<u>230,000</u>	<u>155,000</u>	<u>160,334</u>	<u>5,334</u>
<b>Donations</b>	<u>2,550</u>	<u>2,550</u>	<u>11,090</u>	<u>8,540</u>
<b>Grants and Entitlements</b>	<u>6,000</u>	<u>17,000</u>	<u>41,106</u>	<u>24,106</u>
<b>Miscellaneous</b>				
Administration	43,280	39,650	57,368	17,718
Rental income	20,800	16,600	16,075	(525)
Miscellaneous	7,000	7,000	20,383	13,383
Total Miscellaneous	<u>71,080</u>	<u>63,250</u>	<u>93,826</u>	<u>30,576</u>
Total Revenues	<u>14,762,962</u>	<u>14,743,332</u>	<u>14,924,417</u>	<u>181,085</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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over</u>
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
				<u>Budget</u>
<b>EXPENDITURES</b>				
<b>Administration</b>				
Planning and zoning	114,265	59,765	53,121	(6,644)
Inspections	436,732	391,360	375,795	(15,565)
Community services	603,056	572,056	552,472	(19,584)
Legal	367,376	368,526	370,920	2,394
Support services	343,457	302,074	267,825	(34,249)
Information services	301,309	310,109	273,238	(36,871)
Municipal Court	189,474	189,474	176,293	(13,181)
Finance	373,450	382,360	372,878	(9,482)
Total Administration	<u>2,729,119</u>	<u>2,575,724</u>	<u>2,442,542</u>	<u>(133,182)</u>
<b>Public Works</b>				
Engineering	184,775	179,575	173,177	(6,398)
Sidewalks	194,475	187,475	166,136	(21,339)
Pavement maintenance	1,862,293	1,833,293	1,684,710	(148,583)
Traffic control	33,321	33,321	23,961	(9,360)
Snow and ice control	318,651	316,851	267,461	(49,390)
Pest control	21,513	21,113	20,834	(279)
Storm drainage	10,129	10,129	9,334	(795)
Leaf collection	226,375	232,458	220,541	(11,917)
Support services	419,211	457,865	442,616	(15,249)
Total Public Works	<u>3,270,743</u>	<u>3,272,080</u>	<u>3,008,770</u>	<u>(263,310)</u>
<b>Police</b>				
Management and auxiliary services	475,047	460,629	421,056	(39,573)
Field operations	3,422,118	3,340,391	3,301,927	(38,464)
Communications	698,102	704,693	655,159	(49,534)
Criminal investigations	589,330	588,683	580,171	(8,512)
Total Police	<u>5,184,597</u>	<u>5,094,396</u>	<u>4,958,313</u>	<u>(136,083)</u>
<b>Parks and Recreation</b>				
Parks	499,862	493,429	462,180	(31,249)
Golf operations	835,701	825,743	768,530	(57,213)
Pool	603,201	603,201	499,698	(103,503)
Golf club	89,039	90,539	83,903	(6,636)
Community center	1,533,911	1,641,476	1,415,142	(226,334)
Building systems	468,880	490,306	466,959	(23,347)
Ballwin days	80,314	80,314	57,921	(22,393)
Total Parks And Recreation	<u>4,110,908</u>	<u>4,225,008</u>	<u>3,754,333</u>	<u>(470,675)</u>
Total Expenditures	<u>15,295,367</u>	<u>15,167,208</u>	<u>14,163,958</u>	<u>(1,003,250)</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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(532,405)</u>	<u>(423,876)</u>	<u>760,459</u>	<u>1,184,335</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of capital lease	-	106,920	106,920	-
Transfers out	(125,000)	(19,372)	(287,636)	268,264
Sale of capital assets	42,450	50,450	46,006	(4,444)
Total Other Financing Sources (Uses)	<u>(82,550)</u>	<u>137,998</u>	<u>(134,710)</u>	<u>(272,708)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (614,955)</u>	<u>(285,878)</u>	625,749	<u>911,627</u>
<b>FUND BALANCE, JANUARY 1</b>			<u>9,482,684</u>	
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 10,108,433</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, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,454,640	1,428,125	1,289,796	(138,329)
Public utility licenses	-	13,000	21,593	8,593
Investment income	2,900	244	195	(49)
Total Revenues	<u>1,457,540</u>	<u>1,441,369</u>	<u>1,311,584</u>	<u>(129,785)</u>
<b>EXPENDITURES</b>				
Administration	<u>9,480</u>	<u>9,350</u>	<u>9,568</u>	<u>218</u>
<b>REVENUES OVER EXPENDITURES</b>				
	<u>1,448,060</u>	<u>1,432,019</u>	<u>1,302,016</u>	<u>(130,003)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	250,000	38,700	38,745	45
Transfers out	<u>(1,698,060)</u>	<u>(1,470,719)</u>	<u>(1,340,761)</u>	<u>129,958</u>
Total Other Financing Sources (Uses)	<u>(1,448,060)</u>	<u>(1,432,019)</u>	<u>(1,302,016)</u>	<u>130,003</u>
<b>NET CHANGE IN FUND BALANCE</b>				
	<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, 2009**

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**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 Town Center Debt Service Fund.
- 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.

For the year ended December 31, 2009, expenditures for the Sewer Lateral Fund exceeded the budget by \$17,360.

**OTHER SUPPLEMENTAL INFORMATION SECTION**

**CITY OF BALLWIN, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING**  
**BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2009**

	<u>Sewer Lateral</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Restricted assets:			
Cash	\$ 245,032	-	245,032
Investments	-	743,873	743,873
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 245,032</u>	<u>743,873</u>	<u>988,905</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>	<u>\$ -</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>			
Reserved for:			
Debt service	-	743,873	743,873
Sewer lateral	245,032	-	245,032
Total Fund Balances	<u>245,032</u>	<u>743,873</u>	<u>988,905</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities And Fund Balances	<u>\$ 245,032</u>	<u>743,873</u>	<u>988,905</u>

**CITY OF BALLWIN, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - COMBINING STATEMENT**  
**OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Sewer Lateral</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 288,529	-	288,529
Investment income	-	1,429	1,429
Total Revenues	<u>288,529</u>	<u>1,429</u>	<u>289,958</u>
<b>EXPENDITURES</b>			
Administration	311,760	-	311,760
Debt service:			
Principal	-	1,390,000	1,390,000
Interest	-	349,304	349,304
Total Expenditures	<u>311,760</u>	<u>1,739,304</u>	<u>2,051,064</u>
<b>REVENUES UNDER EXPENDITURES</b>	(23,231)	(1,737,875)	(1,761,106)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>268,263</u>	<u>1,722,329</u>	<u>1,990,592</u>
<b>NET CHANGE IN FUND BALANCES</b>	245,032	(15,546)	229,486
FUND BALANCES, JANUARY 1	<u>-</u>	<u>759,419</u>	<u>759,419</u>
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 245,032</u>	<u>743,873</u>	<u>988,905</u>

**CITY OF BALLWIN, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND**  
**BALANCE - BUDGET AND ACTUAL - SEWER LATERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes:			
Sewer lateral fees	\$ 294,400	288,529	(5,871)
<b>EXPENDITURES</b>			
Administration:			
Sewer lateral repairs	262,825	280,185	17,360
Administration costs	31,575	31,575	-
Total Expenditures	294,400	311,760	17,360
<b>REVENUES UNDER EXPENDITURES</b>	-	(23,231)	(23,231)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	268,263	268,263
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	245,032	245,032
FUND BALANCE, JANUARY 1		-	
<b>FUND BALANCE, DECEMBER 31</b>		\$ 245,032	

**CITY OF BALLWIN, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF**  
**REVENUES, EXPENDITURES, AND CHANGE IN FUND**  
**BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Original And Final Budgeted Amounts</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Investment income	\$ -	1,429	1,429
<b>EXPENDITURES</b>			
Debt service:			
Principal	1,390,000	1,390,000	-
Interest	349,304	349,304	-
Total Expenditures	1,739,304	1,739,304	-
<b>REVENUES UNDER EXPENDITURES</b>	(1,739,304)	(1,737,875)	1,429
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,739,304	1,722,329	(16,975)
<b>NET CHANGE IN FUND BALANCE</b>	\$ -	(15,546)	(15,546)
FUND BALANCE, JANUARY 1		759,419	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 743,873</b>	

**CITY OF BALLWIN, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - CAPITAL PROJECTS FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
<b>Taxes</b>				
Sales tax	\$ 2,270,000	2,096,500	1,956,869	(139,631)
Gasoline	885,000	767,300	764,071	(3,229)
Total Taxes	<u>3,155,000</u>	<u>2,863,800</u>	<u>2,720,940</u>	<u>(142,860)</u>
<b>Investment Income</b>	-	-	571	571
<b>Donations</b>	5,000	5,000	5,678	678
<b>Grants and Entitlements</b>	<u>406,178</u>	<u>168,388</u>	<u>140,629</u>	<u>(27,759)</u>
Total Revenues	<u>3,566,178</u>	<u>3,037,188</u>	<u>2,867,818</u>	<u>(169,370)</u>
<b>EXPENDITURES</b>				
<b>Capital Outlay</b>				
Administration:				
Support services	<u>154,000</u>	<u>338,264</u>	<u>311,686</u>	<u>(26,578)</u>
Public works:				
Pavement maintenance	1,321,000	996,600	918,988	(77,612)
Traffic control	269,000	26,400	26,373	(27)
Support services	100,000	-	-	-
Total Public Works	<u>1,690,000</u>	<u>1,023,000</u>	<u>945,361</u>	<u>(77,639)</u>
Police:				
Management and auxiliary services	<u>80,000</u>	-	-	-
Parks and recreation:				
Parks	40,000	63,000	33,233	(29,767)
Golf operations	125,000	171,265	150,223	(21,042)
Community center	<u>47,928</u>	<u>59,128</u>	<u>39,416</u>	<u>(19,712)</u>
Total Parks And Recreation	<u>212,928</u>	<u>293,393</u>	<u>222,872</u>	<u>(70,521)</u>
Total Expenditures	<u>2,136,928</u>	<u>1,654,657</u>	<u>1,479,919</u>	<u>(174,738)</u>

(Continued)

**CITY OF BALLWIN, MISSOURI**  
**OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND**  
**ACTUAL - CAPITAL PROJECTS FUND (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

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	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Over (Under) Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES OVER EXPENDITURES</b>	1,429,250	1,382,531	1,387,899	5,368
<b>OTHER FINANCING USES</b>				
Transfers out	(1,814,304)	(1,708,676)	(1,741,701)	(33,025)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (385,054)</b>	<b>(326,145)</b>	<b>(353,802)</b>	<b>(27,657)</b>
FUND BALANCE, JANUARY 1			733,274	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 379,472</b>	