

CITY OF CRESTWOOD, MISSOURI

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT

JUNE 30, 2002

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Crestwood, Missouri

We have audited the accompanying general purpose financial statements of the City of Crestwood, Missouri (the "City") as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. The financial statements of the City of Crestwood as of June 30, 2002, before the restatement described in Note M, were audited by other auditors whose report dated October 11, 2002, expressed an unqualified opinion on those statements.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City as of June 30, 2002 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We also audited the adjustments described in Note M that were applied to restate the 2002 general purpose financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Brown Smith Wallace, LLC

January 5, 2004

CITY OF CRESTWOOD, MISSOURI

Combined Balance Sheet - All Fund Types and Account Groups

June 30, 2002

With comparative totals for June 30, 2001

(See Independent Auditors' Report)

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
ASSETS AND OTHER DEBITS				
Cash and investments	\$ 1,586,674	\$ -	\$ -	\$ -
Receivables:				
Taxes	623,738	-	457,651	-
Other	153,826	-	132,800	-
Due from other funds	87,322	31,927	2,090,493	-
Prepaid items	79,994	-	-	-
Investments - restricted	-	-	2,373,704	873,603
Fixed assets	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Amount available in Debt Service Fund	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	\$ 2,531,554	\$ 31,927	\$ 5,054,648	\$ 873,603
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities				
Accounts payable	\$ 160,166	\$ 780	\$ 1,220,956	\$ -
Retainage payable	-	-	604,876	-
Accrued payroll	180,564	-	-	-
Compensated absences	-	-	-	-
Accrued interest payable	-	-	-	-
Deposits payable	-	-	-	-
Funds held for others	-	-	-	-
Due to other funds	3,153,236	440	158,936	-
Deferred revenue	11,085	-	-	-
Certificates of participation payable	-	-	-	-
Capital lease payable	-	-	-	-
Note payable	-	-	-	-
Total Liabilities	3,505,051	1,220	1,984,768	-
Fund Equity and Other Credits				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Fund balances:				
Reserved for encumbrances	10,654	-	64,126	-
Reserved for prepaid items	79,994	-	-	-
Reserved for debt service	-	-	-	873,603
Unreserved:				
Designated for special projects	-	-	-	-
Designated for vehicle replacement	-	-	-	-
Designated for park and stormwater improvement	-	-	2,236,657	-
Designated for Sappington House Library	-	-	-	-
Designated for Sappington House - other	-	-	-	-
Undesignated	(1,064,145)	30,707	769,097	-
Total Fund Equity and Other Credits	(973,497)	30,707	3,069,880	873,603
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	\$ 2,531,554	\$ 31,927	\$ 5,054,648	\$ 873,603

The accompanying notes are an integral part of these financial statements.

Proprietary Fund Types	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
		General Fixed Assets	General Long- Term Debt	2002	2001
\$ -	\$ 484,275	\$ -	\$ -	\$ 2,070,949	\$ 1,684,660
-	-	-	-	1,081,389	820,870
-	-	-	-	286,626	104,036
1,000,000	102,870	-	-	3,312,612	1,817,637
-	-	-	-	79,994	-
-	-	-	-	3,247,307	8,423,429
-	-	17,405,393	-	17,405,393	10,034,034
-	-	-	8,058,317	8,058,317	8,131,558
-	-	-	873,603	873,603	853,018
\$ 1,000,000	\$ 587,145	\$ 17,405,393	\$ 8,931,920	\$ 36,416,190	\$ 31,869,242
\$ -	\$ -	\$ -	\$ -	\$ 1,381,902	\$ 430,280
-	-	-	-	604,876	-
-	-	-	-	180,564	184,884
-	-	-	436,920	436,920	390,118
-	-	-	-	-	1,073
-	131,995	-	-	131,995	118,675
-	34,190	-	-	34,190	-
-	-	-	-	3,312,612	1,817,637
-	-	-	-	11,085	11,085
-	-	-	8,495,000	8,495,000	8,495,000
-	-	-	-	-	88,396
-	-	-	-	-	11,062
-	166,185	-	8,931,920	14,589,144	11,548,210
-	-	17,405,393	-	17,405,393	10,034,034
1,000,000	-	-	-	1,000,000	1,000,000
-	-	-	-	74,780	79,584
-	-	-	-	79,994	-
-	-	-	-	873,603	853,018
-	-	-	-	-	9,000
-	-	-	-	-	81,259
-	-	-	-	2,236,657	7,808,775
-	336,545	-	-	336,545	310,167
-	84,415	-	-	84,415	79,991
-	-	-	-	(264,341)	65,204
1,000,000	420,960	17,405,393	-	21,827,046	20,321,032
\$ 1,000,000	\$ 587,145	\$ 17,405,393	\$ 8,931,920	\$ 36,416,190	\$ 31,869,242

CITY OF CRESTWOOD, MISSOURI

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - All Governmental Fund Types and Similar Expendable Trust Fund

For the year ended June 30, 2002

With comparative totals for the year ended June 30, 2001

(See Independent Auditors' Report)

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Debt Service
REVENUES				
Taxes	\$ 6,584,410	\$ 138,312	\$ 3,885,193	\$ -
Licenses, permits, fines and fees	1,243,801	-	-	-
Investment income	28,009	-	200,599	50,412
Recreation programs	285,929	-	-	-
Net increase in the fair value of investments	-	-	-	-
Miscellaneous	106,991	-	349,215	-
Total Revenues	8,249,140	138,312	4,435,007	50,412
EXPENDITURES				
Current:				
General services	1,026,636	83,723	-	-
Public works	1,493,396	-	1,052,231	-
Public safety:				
Police and municipal court	2,985,332	-	-	-
Fire	2,456,971	-	-	-
Parks and recreation	1,324,969	-	523,381	-
Capital outlay	81,903	-	7,597,830	-
Debt service:				
Principal retirement	-	-	99,458	-
Interest	-	-	356,395	-
Issuance cost	-	-	-	-
Total Expenditures	9,369,207	83,723	9,629,295	-
REVENUES OVER (UNDER) EXPENDITURES	(1,120,067)	54,589	(5,194,288)	50,412
OTHER FINANCING SOURCES (USES)				
Operating transfers in	179,062	-	29,827	-
Operating transfers out	-	-	(179,062)	(29,827)
Proceeds from certificates of participation	-	-	-	-
Total Other Financing Sources (Uses)	179,062	-	(149,235)	(29,827)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(941,005)	54,589	(5,343,523)	20,585
FUND BALANCES (DEFICIT), JULY 1	(204,072)	(23,882)	8,271,776	853,018
CHANGE IN ACCOUNTING PRINCIPLE	171,580	-	141,627	-
FUND BALANCES (DEFICIT), JUNE 30	\$ (973,497)	\$ 30,707	\$ 3,069,880	\$ 873,603

The accompanying notes are an integral part of these financial statements.

Fiduciary Fund Types Expendable Trust	Totals (Memorandum Only)	
	2002	2001
\$ -	\$ 10,607,915	\$ 9,346,936
-	1,243,801	1,098,365
14,153	293,173	111,820
15,610	301,539	409,316
15,235	15,235	46,800
-	456,206	361,520
44,998	12,917,869	11,374,757
-	1,110,359	1,168,299
-	2,545,627	2,430,537
-	2,985,332	2,707,329
-	2,456,971	2,336,321
14,196	1,862,546	1,510,088
-	7,679,733	676,282
-	99,458	110,583
-	356,395	9,817
-	-	36,889
14,196	19,096,421	10,986,145
30,802	(6,178,552)	388,612
-	208,889	-
-	(208,889)	-
-	-	8,401,555
-	-	8,401,555
30,802	(6,178,552)	8,790,167
390,158	9,286,998	496,831
-	313,207	-
\$ 420,960	\$ 3,421,653	\$ 9,286,998

CITY OF CRESTWOOD, MISSOURI

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Budget and Actual - All Governmental Fund Types for Which Official Budgets Have Been Adopted - Budget Basis

For the year ended June 30, 2002

(See Independent Auditors' Report)

	General Fund		
	Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 7,449,937	\$ 6,584,410	\$ (865,527)
Licenses, permits, fines and fees	1,246,265	1,243,801	(2,464)
Investment income	52,000	28,009	(23,991)
Recreation programs	242,145	141,008	(101,137)
Miscellaneous	65,000	106,991	41,991
Total Revenues	9,055,347	8,104,219	(951,128)
EXPENDITURES			
General services	1,044,298	1,026,636	(17,662)
Public works	1,503,235	1,508,660	5,425
Public safety:			
Police and municipal court	2,938,979	3,036,202	97,223
Fire	2,475,472	2,465,299	(10,173)
Parks and recreation	1,318,011	1,183,049	(134,962)
Total Expenditures	9,279,995	9,219,846	(60,149)
REVENUES OVER (UNDER) EXPENDITURES (BUDGET BASIS)	\$ (224,648)	(1,115,627)	\$ (890,979)
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
Encumbrances reserved at June 30, 2002		10,654	
Encumbrances reserved at June 30, 2001		(14,144)	
Operating transfers in		179,062	
Operating transfers out		-	
Unbudgeted activity		(950)	
		<u>174,622</u>	
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES) (GAAP BASIS)		(941,005)	
FUND BALANCES (DEFICIT), JULY 1		(204,072)	
CHANGE IN ACCOUNTING PRINCIPLE		<u>171,580</u>	
FUND BALANCES (DEFICIT), JUNE 30		<u>\$ (973,497)</u>	

The accompanying notes are an integral part of these financial statements.

Capital Projects Funds

Budget	Actual	Over (Under) Budget
\$ 4,412,794	\$ 3,885,193	\$ (527,601)
-	-	-
-	2,546	2,546
-	-	-
-	349,215	349,215
<u>4,412,794</u>	<u>4,236,954</u>	<u>(175,840)</u>

100,000	166,959	66,959
1,145,000	1,440,696	295,696
176,000	27,366	(148,634)
100,000	-	(100,000)
1,094,071	1,172,949	78,878
<u>2,615,071</u>	<u>2,807,970</u>	<u>192,899</u>

<u>\$ 1,797,723</u>	<u>1,428,984</u>	<u>\$ (368,739)</u>
---------------------	------------------	---------------------

44,076
 (65,440)
 29,827
 (179,062)
(6,601,908)
(6,772,507)

(5,343,523)

8,271,776

141,627

\$ 3,069,880

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements

June 30, 2002

(See Independent Auditors' Report)

Note A - Summary of Significant Accounting Policies

The significant accounting policies applied by the City of Crestwood, Missouri (the "City") in the preparation of the accompanying general purpose financial statements are summarized below:

Reporting Entity

The general purpose 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 Governmental Accounting Standards Board (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 requirements, the general purpose financial statements include all funds, account groups, agencies, boards, commissions and authorities for which the City is financially accountable.

Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the general purpose financial statements as follows:

GOVERNMENTAL FUNDS

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

Special Revenue Fund – The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City's Special Revenue Fund consists of amounts collected for sewer lateral repairs.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital items.

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note A - Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest and related costs.

PROPRIETARY FUND

The Proprietary Fund is used to account for those operations that are financed and operated in a manner similar to private business, or where the governing body has decided that determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal Service Fund – The Internal Service Fund is a working capital reserve fund established by the City to provide for the financing of contingencies of other City funds when revenues in the other City funds are insufficient to meet such contingencies and as a source of accumulation of funds for future projects. All borrowings as provided by City ordinance are expected to be repaid.

FIDUCIARY FUNDS

Expendable Trust and Agency Funds – Expendable Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Expendable Trust Funds are accounted for and reported in the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

General Fixed Assets – The general fixed assets used in the City's operations are to be accounted for in the General Fixed Assets Account Group rather than in the governmental funds.

General Long-Term Debt – Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note A - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the general purpose financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental and fiduciary (Expendable Trust and Agency Funds) fund types are accounted for on the current financial resources measurement focus using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for interest on obligations in the General Long-Term Debt Account Group which is recorded in the governmental fund types when paid. Sales and utilities gross receipts taxes collected and held at year-end on behalf of the City are also recognized as revenue. Licenses, permits, fines, fees, recreation programs and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The Proprietary Fund (Internal Service) is accounted for on the flow of economic resources measurement focus using the accrual basis of accounting. Its revenues are recognized when earned and its expenses are recognized when incurred. Statements of revenues, expenses and changes in contributed capital – proprietary fund type and cash flows – proprietary fund type is not presented for the year ended June 30, 2002 because there was no cash activity in this fund.

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note A - Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

An annual budget is legally adopted through passage of an appropriation ordinance by the Board of Aldermen for the General and Capital Projects – Capital Improvements and Park and Stormwater Improvements Funds, excluding the Park and Stormwater Project Bond account, prior to the beginning of each fiscal year. The Board of Aldermen follow the procedures outlined below in establishing the budgetary data reflected in the accompanying general purpose financial statements:

- City department heads prepare departmental operating budgets and the City Finance Officer makes revenue projections on or before March 15. The City Finance Department edits and assembles the data for review.
- The City Administrator and City Finance Officer review and revise departmental operating budgets based upon estimated revenue projections.
- At least forty-five days prior to the beginning of each fiscal year, the City Administrator shall submit to the Board of Aldermen a proposed final budget and accompanying written narrative.
- The Board of Aldermen meets for a budget work session in which board members express their opinions on the proposed budget.
- Based on the Board's recommendations, a budget ordinance is prepared. After a fifteen-day public notice, the Board of Aldermen holds a public hearing (in June) to hear taxpayer comments on the proposed budget.
- Prior to July 1, the budget is legally enacted. Budgeted expenditures cannot legally exceed appropriations at the department level. Revenue estimates are adjusted to reflect any unencumbered or undesignated balance from the previous year.
- During the year, the City Administrator may transfer all or any part of any unencumbered appropriation balance among accounts within a department. The Board of Aldermen may, by motion of the Board, transfer part or all of an unencumbered appropriation balance from one department to another. Supplemental appropriations may be made by ordinance of the Board of Aldermen if the City Administrator certifies that funds will be available for such expenditures. There were no supplemental appropriations during the year ended June 30, 2002.
- At the end of each budget period, all appropriated balances lapse and may be reappropriated in the next budget period.

The City's budgets are prepared on the modified accrual basis, except that encumbrances are reflected as expenditures, certain parks and recreation expenditures for activities at the City's community center and swimming pool are netted against the related revenues and activity relating to the Summer Concert series is not budgeted.

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note A - Summary of Significant Accounting Policies (Continued)

Prepaid Items

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

Fixed Assets

General fixed assets acquired for general governmental purposes are recorded as expenditures in the governmental funds. Assets are valued at original or estimated original cost. Contributed fixed assets are stated at estimated fair value at the date of contribution. No depreciation has been provided on general fixed assets. Assets acquired under lease/purchase agreements are recorded at the inception of the agreement.

Public domain ("infrastructure") general fixed assets, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

Compensated Absences

Under terms of the City's personnel policy, employees are granted vacations based on length of service every January 1. Upon termination, the employee is entitled to payment for accrued vacation benefits. A reasonable determination of the amount of accrued vacation benefits to be liquidated with expendable available financial resources cannot be made. Accordingly, all accrued vacation benefits have been recorded in the General Long-Term Debt Account Group. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note A - Summary of Significant Accounting Policies (Continued)

Property Tax Revenue

Property taxes attach as an enforceable lien on property as of January 1, based on the assessed value of the property. Taxes are levied on September 1 and are due and payable on or before December 31.

Property taxes are billed and collected by St. Louis County and remitted by the County to the City. The City accounts for property tax revenues on a modified accrual basis and, therefore, defers revenue recognition for delinquent taxes.

Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as operating transfers. Such transfers are reported as other financing sources (uses) in the governmental fund types and operating transfers in the proprietary fund type.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative data for the prior year is presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the City's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) is not presented since their inclusion would make the statements unduly complex and difficult to read.

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note B - Cash and Investments

Deposits

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 (FDIC). As of June 30, 2002, the carrying amount of the City's bank deposits totaled \$273,063 with bank balances of \$394,432. The bank balance was covered by the FDIC in the amount of \$292,469; \$44,179 was covered by collateral pledged in the name of the City and held by the pledging bank's trust department or agent; and the remainder of \$57,784 was uncollateralized.

Investments

State statutes and City policy authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, time deposit certificates and repurchase agreements. Investments of the Expendable Trust Funds are not required to conform to these investment guidelines. The investments of the Expendable Trust Fund are maintained in trust funds managed by a trustee on its behalf.

The City's investments are categorized below to give an indication of the level of risk assumed by the City at year-end as: (1) insured or registered with securities held by the City or its agent in the City's name, or (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name.

	June 30, 2002		<u>Carrying Amount/ Fair Value</u>
	<u>Categories</u>		
	<u>1</u>	<u>2</u>	
Expendable Trust Fund – common stock	\$ 45,980	\$ -	\$ 45,980
U.S. Government and agency securities	-	975,169	975,169
Repurchase agreement	-	1,624,904	1,624,904
	<u>\$ 45,980</u>	<u>\$2,600,073</u>	<u>2,646,053</u>
Money market funds			<u>2,399,140</u>
Total Investments			<u>\$5,045,193</u>

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note C - Changes in General Fixed Assets

The following is a summary of changes in general fixed assets:

	For the year ended June 30, 2002			Balance June 30, 2002
	Balance June 30, 2001	Additions	Deletions	
Land	\$ 1,683,703	\$ -	\$ -	\$ 1,683,703
Buildings and improvements	4,277,044	173,537	-	4,450,581
Trucks and autos	1,729,417	207,415	132,402	1,804,430
Machinery and equipment	1,835,932	93,411	50,000	1,879,343
Construction in progress	<u>507,938</u>	<u>7,079,398</u>	<u>-</u>	<u>7,587,336</u>
Total	<u>\$10,034,034</u>	<u>\$7,553,761</u>	<u>\$ 182,402</u>	<u>\$17,405,393</u>

The June 30, 2001 balances have been restated due to prior year misclassification between land and buildings and improvements.

A summary of sources of investment in general fixed assets acquired after June 30, 1981 is as follows:

	For the year ended June 30, 2002			Balance June 30, 2002
	Balance June 30, 2001	Additions	Deletions	
Assets acquired prior to July 1, 1981	\$ 6,409,430	\$ -	\$ -	\$ 6,409,430
Assets acquired after June 30, 1981:				
General Fund	1,772,654	-	-	1,772,654
Special Revenue Fund	42,127	-	-	42,127
Capital Projects Funds	1,795,567	7,553,761	182,402	9,166,926
Donations	<u>14,256</u>	<u>-</u>	<u>-</u>	<u>14,256</u>
	<u>\$10,034,034</u>	<u>\$7,553,761</u>	<u>\$ 182,402</u>	<u>\$17,405,393</u>

A summary of changes in general fixed assets by function acquired after June 30, 1981 is as follows:

	For the year ended June 30, 2002			Balance June 30, 2002
	Balance June 30, 2001	Additions	Deletions	
Assets acquired prior to July 1, 1981	\$ 6,409,430	\$ -	\$ -	\$ 6,409,430
Assets acquired after June 30, 1981:				
General services	362,855	-	-	362,855
Public works	816,581	342,214	85,234	1,073,561
Public safety:				
Police and municipal court	650,564	80,038	73,168	657,434
Fire	589,553	-	-	589,553
Parks and recreation	<u>1,205,051</u>	<u>7,131,509</u>	<u>24,000</u>	<u>8,312,560</u>
	<u>\$10,034,034</u>	<u>\$7,553,761</u>	<u>\$ 182,402</u>	<u>\$17,405,393</u>

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note C - Changes in General Fixed Assets (Continued)

A summary of general fixed assets by function and activity is as follows:

	June 30, 2002					Totals
	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Trucks and Autos</u>	<u>Machinery and Equipment</u>	<u>Construction in Progress</u>	
General services	\$ 107,800	\$1,874,852	\$ 20,349	\$ 299,173	\$ -	\$ 2,302,174
Public works	-	521,037	476,147	697,818	-	1,695,002
Public safety:						
Police and municipal court	-	-	527,366	302,903	-	830,269
Fire	-	-	578,725	191,069	-	769,794
Parks and recreation	<u>1,575,903</u>	<u>2,054,692</u>	<u>201,843</u>	<u>388,380</u>	<u>7,587,336</u>	<u>11,808,154</u>
	<u>\$1,683,703</u>	<u>\$4,450,581</u>	<u>\$1,804,430</u>	<u>\$1,879,343</u>	<u>\$7,587,336</u>	<u>\$17,405,393</u>

Note D - Long-Term Debt

Long-term debt consisted of the following:

	June 30, <u>2002</u>
2001 certificates of participation of \$8,495,000 used for constructing an aquatic center and improving related park facilities. Principal payments from \$700,000 to \$1,030,000 are due on April 1 and October 1 of each year from 2003 through 2012. Interest rates range from 3.9% to 5%.	<u>\$ 8,495,000</u>

Changes in general long-term debt are as follows:

	For the year ended June 30, 2002			Balance June 30, <u>2002</u>
	Balance June 30, <u>2001</u>	<u>Additions</u>	<u>Deletions</u>	
Compensated absences	\$ 390,118	\$ 46,802	\$ -	\$ 436,920
Certificates of participation payable	8,495,000	-	-	8,495,000
Capital lease payable	88,396	-	88,396	-
Note payable	<u>11,062</u>	<u>-</u>	<u>11,062</u>	<u>-</u>
	<u>\$ 8,984,576</u>	<u>\$ 46,802</u>	<u>\$ 99,458</u>	<u>\$ 8,931,920</u>

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note D - Long-Term Debt (Continued)

The annual requirements to amortize the certificates of participation of the long-term debt outstanding are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 700,000	\$ 386,293	\$ 1,086,293
2004	725,000	358,993	1,083,993
2005	755,000	329,267	1,084,267
2006	785,000	297,557	1,082,557
2007	820,000	263,410	1,083,410
2008 to maturity	<u>4,710,000</u>	<u>709,610</u>	<u>5,419,610</u>
	<u>\$ 8,495,000</u>	<u>\$ 2,345,130</u>	<u>\$10,840,130</u>

Note E - Pension Plan

Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute section RSMo 70.600 – 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, MO 65102 or by calling 1-800-447-4334.

Funding Policy

The City's full-time employees do not contribute to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 5.4% (general), 11.1% (police) and 13.1% (fire) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note E - Pension Plan (Continued)

Annual Pension Cost

For 2002, the City's annual pension cost of \$494,403 was equal to the required and actual contributions. The required contribution was determined as part of the February 28/29, 2000 and/or 2001 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; (b) projected salary increases of 4% per year, compounded annually, attributable to inflation; (c) additional projected salary increases ranging from 0% to 4.2% per year, depending on age attributable to seniority/merit; (d) pre-retirement mortality based on the 1983 Group Annuity Mortality table; and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2002 was 15 years. Three-year trend information follows:

<u>For The Years Ending June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2002	\$ 494,403	100%	\$ -
2001	546,561	100%	-
2000	532,734	100%	-

Schedule of funding progress follows:

<u>For The Actuarial Valuation Years Ended February 28/29</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Excess Assets Over AAL</u>
2002	\$11,268,011	\$ 9,728,165	\$(1,539,846)
2001	10,285,113	9,190,833	(1,094,280)
2000	8,505,007	8,503,755	(1,252)

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note E - Pension Plan (Continued)

For The Actuarial Valuation Years Ended <u>February 28/29</u>	Funded Ratio	Annual Covered Payroll (ACP)	Excess Assets Over AAL as a Percentage of ACP
2002	116%	\$ 5,048,664	-
2001	112%	4,972,172	-
2000	100%	4,479,155	-

Note: The above assets and actuarial accrued liability do not include the assets and present value of future benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund of LAGERS. The actuarial assumptions were changed in conjunction with the February 28, 2001 annual actuarial valuations.

Note F - Interfund Assets/Liabilities

Individual interfund assets and liabilities are as follows:

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>June 30, 2002</u>
General Fund	Capital Projects – Capital Improvements Fund	\$ 86,882
General Fund	Special Revenue Fund	440
Special Revenue Fund	General Fund	31,747
Special Revenue Fund	Capital Projects – Park and Stormwater Improvements Fund	180
Capital Projects – Park and Stormwater Improvements Fund	General Fund	1,429,169
Capital Projects – Park and Stormwater Improvements Fund	Capital Projects - Capital Improvement Fund	71,874
Capital Projects – Vehicle Replacement Fund	General Fund	6,121
Capital Projects – Capital Improvements Fund	General Fund	583,329
Internal Service Fund	General Fund	1,000,000
Agency Fund	General Fund	<u>102,870</u>
		\$ 3,312,612

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note G - 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) and the Property and Casualty Trust of St. Louis, Inc. (PACT), which are two not-for-profit, self-insurance risk pools formed by various St. Louis County municipalities.

In order to operate as a group self-insurer of workers' compensation, SLAIT was formed in August 1986. In addition to insurance protection, the program provides risk management services with emphasis on 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.

PACT was formed in February 1987 with the intent of providing the municipalities with an improved loss control program which, in turn, would help prevent or lessen the claims filed against the participating municipalities. The trust is also able to provide the required excess reinsurance at a discount based on volume and the existence of the loss control program. Coverage is provided by the trust for general and auto liability subject to a \$500 deductible per occurrence. This trust employs an outside service company to process all claims.

The trusts require 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 trusts. However, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the trusts should the trusts cease operation at some future date. The City's 2002 expenditures for the trusts totaled \$132,701 to SLAIT and \$85,706 to PACT.

The City also purchases commercial insurance to cover risks related to travel, public official liability, earthquakes and employee blanket bonds. Settled claims resulting from these risks have not exceeded coverage in any of the past three years.

Note H - Other Postemployment Benefits

In fiscal 1997, the City passed an ordinance which established a plan to provide postemployment health care benefits to employees who retire from City employment with at least 15 years of service. Eligible employees are entitled to benefits once they have reached the normal retirement age, as defined by LAGERS, until qualifying for Medicare or reaching the age of 65, whichever comes first. The City pays a portion of the health insurance premium in an amount equal to what is being paid by the City for single coverage for then current employees.

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note H - Other Postemployment Benefits (Continued)

No employee shall be covered under this program for more than 120 months for police and fire personnel and 60 months for civilian employees. Expenditures for postemployment health care benefits are recognized as paid by the City. No expenditures were incurred in the current year for postemployment health care benefits.

Note I - Commitments

At June 30, 2002, the City had commitments for various street and stormwater improvements in the amount of \$522,810, and construction in the amount of \$894,967.

The City had a \$600,000 open (Revolving Business Note) line-of-credit with Southwest Bank as of June 30, 2002. At June 30, 2002, \$0 was drawn against the line-of-credit.

Note J - Excess Expenditures Over Revenues

The Capital Projects Fund – Capital Improvements exceeded budgeted expenditures. Revenues and fund equity were available to cover the excess amount.

	<u>For the year Ended June 30, 2002</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Capital Projects Fund – Capital Improvements	<u>\$1,521,000</u>	<u>\$1,663,004</u>	<u>\$ 142,004</u>

Note K - Change in Accounting Principle

In fiscal 2002, the City adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Due to the change in accounting and reporting for nonexchange transactions, sales taxes are recognized at the time of the underlying exchange transaction for derived revenues. The cumulative effect of the change in accounting method is as follows:

General Fund	<u>\$ 171,580</u>
Capital Projects Funds:	
Capital Improvements Fund	\$ 65,075
Park and Stormwater Improvements Fund	<u>76,552</u>
	<u>\$ 141,627</u>

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note L - Pending Accounting Pronouncements

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. In July 2001, the GASB issued Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. Under the revised requirements, governmental financial statements will include management's discussion and analysis (MD&A), basic financial statements that present both government-wide and fund financial statements, and required supplementary information. These Statements provide significant new accounting and financial reporting requirements for governments.

MD&A introduces the financial statements by giving readers a brief, objective and easily readable analysis of the City's financial performance for the year and its financial position at year-end, including an analysis of budgetary change and results.

The government-wide financial statements will provide information about the primary government and its component units without displaying fund or fund types. The financial statements will distinguish between the governmental and business-type activities of the primary government. All information will be reported using the economic resources measurement focus and the accrual basis of accounting.

The fund financial statements will provide information about the primary government's fund types, including fiduciary funds and blended component units. Governments will present separate financial statements for each fund category – governmental, proprietary and fiduciary – and will no longer present a combined balance sheet. General capital assets and general long-term liabilities will be reported only in the government-wide financial statements as assets and liabilities of governmental activities. Governmental fund financial statements will focus on fiscal accountability and will report the flows and balances of current financial resources using the modified accrual basis of accounting. Proprietary and fiduciary fund financial statements will report operating results and financial position using the economic resources measurement focus and the accrual basis of accounting. A single set of notes will apply to both government-wide and fund financial statements.

The model also includes required reporting for infrastructure assets. Reporting alternatives include historical cost-based depreciation and modified approach if the government maintains such assets at or above an established condition level. Retroactive infrastructure reporting will also become effective on a phase-in approach.

CITY OF CRESTWOOD, MISSOURI

Notes to Financial Statements - Continued

June 30, 2002

(See Independent Auditors' Report)

Note L - Pending Accounting Pronouncements (Continued)

The City is required to adopt GASB Statement No. 34 in fiscal year 2003 except for certain provisions relating to infrastructure which it is required to adopt in fiscal year 2007. The City has not completed the varied analyses required to estimate the financial statement impact of these new Statements.

Note M- Restatement

The City restated the fiscal year 2002 financial statements to reflect \$349,215 additional expenditures within the Park and Storm Water Improvements Fund. The adjustment is generated because in November 2001 (fiscal year 2002), the City submitted invoices totaling \$349,215 to the bond trustee for reimbursement of design and engineering work that had already been paid by the City during fiscal year 2001. When the \$349,215 was received from the trustee, the City reduced the fiscal year 2002 expenditures in the Park and Storm Water Improvements Fund, which improperly reduced the actual level of expenses within this fund.

Additionally, the City restated the fiscal year 2002 financial statements to reflect the actual amount of revenues and expenditures in the General Fund, Capital Improvements Fund and Park and Storm Water Improvements Fund. General Fund revenues decreased \$68,910 and expenditures increased \$786,921; Capital Improvements Fund expenditures increased \$583,329; and Park and Stormwater Improvements Fund expenditures decreased by \$76,713. These changes are the result of unsupported and unauthorized journal entries being posted in fiscal year 2002 to transfer a total of \$786,921 in expenses from the General Fund to the Capital Improvements Fund and Park and Storm Water Improvements Fund that were reversed in the restatement process. The original unauthorized journal entries were recorded through the use of inter-fund general ledger accounts.

Note N - Subsequent Event

On September 30, 2003, the City revised its line-of-credit with Southwest Bank to \$1,185,000. In addition, on October 6, 2003, \$33,684 was advanced by Southwest Bank against the Revolving Business Note. Since October 24, 2003, the City has borrowed up to \$755,637 under the Revolving Business Note with Southwest Bank.

The City is currently pursuing litigation against various parties as a result of the forensic audit that was performed in 2003.

Supplemental Information

CITY OF CRESTWOOD, MISSOURI

General Fund

June 30, 2002

(See Independent Auditors' Report)

GENERAL FUND

The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

CITY OF CRESTWOOD, MISSOURI

**Supplemental Information - General Fund
Schedule of Revenues - Budget and Actual - Budget Basis**

For the Year Ended June 30, 2002

With comparative totals for the year ended June 30, 2001

(See Independent Auditors' Report)

	2002		Over (Under) Budget	2001 Actual
	Budget	Actual		
REVENUES				
Taxes:				
Property taxes	\$ 529,400	\$ 581,931	\$ 52,531	\$ 540,386
Utility taxes	1,134,700	1,119,612	(15,088)	1,239,461
Sales tax	4,976,486	4,091,638	(884,848)	4,088,953
Cigarette tax	52,500	49,347	(3,153)	54,719
Gasoline and motor vehicle taxes	535,000	500,380	(34,620)	532,268
Financial institution tax	4,300	2,016	(2,284)	4,803
County road refund	217,551	239,486	21,935	222,124
Total Taxes	7,449,937	6,584,410	(865,527)	6,682,714
Licenses, permits, fines and fees:				
Merchants' licenses	1,053,100	983,366	(69,734)	846,120
Permits and inspections	7,665	36,347	28,682	29,230
Police fines	185,500	224,088	38,588	223,015
Total Licenses, Permits, Fines and Fees	1,246,265	1,243,801	(2,464)	1,098,365
Investment income	52,000	28,009	(23,991)	36,018
Recreation programs:				
Swimming pool	130,125	26,436	(103,689)	89,128
Community center	98,750	101,464	2,714	128,846
Sappington House	5,250	4,123	(1,127)	2,518
Other	8,020	8,985	965	8,068
Total Recreation Programs	242,145	141,008	(101,137)	228,560
Miscellaneous:				
Rental property	3,000	1,200	(1,800)	3,000
Other	62,000	105,791	43,791	345,312
Total Miscellaneous	65,000	106,991	41,991	348,312
TOTAL REVENUES	\$ 9,055,347	\$ 8,104,219	\$ (951,128)	\$ 8,393,969

CITY OF CRESTWOOD, MISSOURI

**Supplemental Information - General Fund
Schedule of Expenditures - Budget and Actual - Budget Basis**

For the year ended June 30, 2002

With comparative totals for the year ended June 30, 2001

(See Independent Auditors' Report)

	2002			2001 Actual
	Budget	Actual	Over (Under) Budget	
EXPENDITURES:				
General services:				
Mayor's office:				
Personnel services	\$ 8,927	\$ 6,134	\$ (2,793)	\$ 8,641
Contractual services	1,791	494	(1,297)	-
Commodities	1,206	1,022	(184)	1,047
Board of Aldermen:				
Personnel services	39,901	39,936	35	31,332
Contractual services	875	-	(875)	445
Commodities	1,350	1,273	(77)	1,250
City Clerk's office:				
Personnel services	157,918	158,534	616	151,279
Contractual services	15,475	18,671	3,196	23,527
Commodities	2,880	2,274	(606)	1,705
Finance department:				
Personnel services	180,804	174,757	(6,047)	177,697
Contractual services	11,775	12,158	383	3,661
Commodities	3,150	6,750	3,600	7,841
City Administrator:				
Personnel services	224,915	226,671	1,756	218,719
Contractual services	3,831	590	(3,241)	1,689
Commodities	2,119	1,524	(595)	2,107
MIS:				
Personnel services	2,000	-	(2,000)	-
Contractual services	73,000	74,771	1,771	89,246
Commodities	1,200	474	(726)	-
Capital outlay	-	-	-	17,022
General supporting services:				
Personnel services	14,000	18,940	4,940	12,280
Contractual services	288,541	271,841	(16,700)	261,439
Commodities	8,640	9,822	1,182	11,215
Total General Services	1,044,298	1,026,636	(17,662)	1,022,142

CITY OF CRESTWOOD, MISSOURI

**Supplemental Information - General Fund
Schedule of Expenditures - Budget and Actual - Budget Basis - Continued**

For the year ended June 30, 2002

With comparative totals for the year ended June 30, 2001

(See Independent Auditors' Report)

	2002		Over (Under) Budget	2001 Actual
	Budget	Actual		
EXPENDITURES (Continued):				
Public works:				
General public works services:				
Personnel services	\$ 311,363	\$ 294,571	\$ (16,792)	\$ 285,131
Contractual services	19,282	87,026	67,744	16,249
Commodities	8,950	7,177	(1,773)	13,602
Capital outlay	-	-	-	-
Street maintenance services:				
Personnel services	601,638	604,655	3,017	556,881
Contractual services	159,643	147,659	(11,984)	188,233
Commodities	180,718	116,505	(64,213)	151,907
Capital outlay	10,000	15,264	5,264	15,952
Building maintenance services:				
Personnel services	49,952	47,164	(2,788)	42,384
Contractual services	104,969	131,450	26,481	126,014
Commodities	12,412	12,828	416	12,020
Health services:				
Personnel services	42,467	42,178	(289)	35,935
Contractual services	1,592	2,183	591	2,299
Commodities	249	-	(249)	-
Total Public Works	1,503,235	1,508,660	5,425	1,446,607
Public safety:				
Police:				
Personnel services	2,698,803	2,663,552	(35,251)	2,489,664
Contractual services	102,483	107,684	5,201	91,402
Commodities	37,800	90,901	53,101	67,966
Capital outlay	34,000	111,564	77,564	22,356
Municipal court:				
Personnel services	65,038	60,517	(4,521)	52,418
Contractual services	630	1,307	677	1,148
Commodities	225	677	452	519
Capital outlay	-	-	-	5,395
Total Police and Municipal Court	2,938,979	3,036,202	97,223	2,730,868
Fire:				
Personnel services	2,146,655	2,129,515	(17,140)	2,025,825
Contractual services	297,955	305,141	7,186	289,614
Commodities	20,862	20,720	(142)	20,032
Capital outlay	10,000	9,923	(77)	18,126
Total Fire	2,475,472	2,465,299	(10,173)	2,353,597

CITY OF CRESTWOOD, MISSOURI

**Supplemental Information - General Fund
Schedule of Expenditures - Budget and Actual - Budget Basis - Continued**

For the year ended June 30, 2002

With comparative totals for the year ended June 30, 2001

(See Independent Auditors' Report)

	2002		Over (Under) Budget	2001 Actual
	Budget	Actual		
EXPENDITURES (Continued):				
Park and recreation:				
Parks operations:				
Personnel services	\$ 540,018	\$ 473,396	\$ (66,622)	\$ 498,119
Contractual services	76,395	73,144	(3,251)	73,081
Commodities	36,921	33,148	(3,773)	30,668
Capital outlay	-	186	186	9,533
Recreation services:				
Personnel services	45,118	14,604	(30,514)	42,855
Contractual services	2,684	355	(2,329)	4,035
Commodities	2,027	2,113	86	856
Historical facilities:				
Personnel services	48,413	32,371	(16,042)	27,417
Contractual services	21,781	25,599	3,818	28,800
Commodities	2,386	214	(2,172)	1,227
Capital outlay	-	154	154	-
Community center:				
Personnel services	383,126	391,769	8,643	357,585
Contractual services	94,823	73,928	(20,895)	89,712
Commodities	11,070	15,601	4,531	13,403
Capital outlay	-	1,694	1,694	3,471
Animal control:				
Personnel services	45,700	38,654	(7,046)	40,858
Contractual services	1,568	2,039	471	1,151
Commodities	3,724	3,673	(51)	3,935
Swimming pool:				
Personnel services	-	-	-	4,462
Contractual services	-	-	-	78,563
Commodities	-	-	-	2,135
Lease facilities:				
Contractual services	1,507	385	(1,122)	184
Commodities	750	22	(728)	95
Total Parks and Recreation	1,318,011	1,183,049	(134,962)	1,312,145
TOTAL EXPENDITURES	\$ 9,279,995	\$ 9,219,846	\$ (60,149)	\$ 8,865,359

CITY OF CRESTWOOD, MISSOURI

Capital Projects Funds

June 30, 2002

(See Independent Auditors' Report)

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities or improvements.

Capital Improvements Fund - This fund is used to account for the accumulation of resources, primarily from 1/2¢ capital improvement sales tax, for the acquisition or construction of major capital items.

Vehicle Replacement Fund - This fund is used to account for the accumulation of resources which are to be used for the purchase of vehicles for the City.

Park and Stormwater Improvements Fund - This fund is used to account for the accumulation of resources, primarily from the issuance of bonds, for the construction of an aquatic center and improvements to related park facilities.

CITY OF CRESTWOOD, MISSOURI

**Supplemental Information - Capital Projects Funds
Combining Balance Sheet**

June 30, 2002

With comparative totals for June 30, 2001

(See Independent Auditors' Report)

	Capital	Vehicle	Park and	Totals	
	Improvements	Replacement	Stormwater Improvements	2002	2001
ASSETS					
Receivables					
Taxes	\$ 210,277	\$ -	\$ 247,374	\$ 457,651	\$ 301,813
Other	132,800	-	-	132,800	695,890
Due from other funds	583,329	6,121	1,501,043	2,090,493	-
Investments - restricted	-	-	2,373,704	2,373,704	7,570,411
TOTAL ASSETS	\$ 926,406	\$ 6,121	\$ 4,122,121	\$ 5,054,648	\$ 8,568,114
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable	\$ 216,993	\$ -	\$ 1,003,963	\$ 1,220,956	\$ 284,953
Retainage payable	-	-	604,876	604,876	-
Accrued interest payable	-	-	-	-	1,073
Due to other funds	158,756	-	180	158,936	10,312
Deferred revenue	-	-	-	-	-
Total Liabilities	375,749	-	1,609,019	1,984,768	296,338
Fund Balances (Deficit)					
Reserved for encumbrances	40,133	20,050	3,943	64,126	65,440
Unreserved:					
Designated for vehicle replacement	-	-	-	-	81,259
Designated for park and stormwater improvements	-	-	2,236,657	2,236,657	7,808,775
Undesignated	510,524	(13,929)	272,502	769,097	316,302
Total Fund Balances	550,657	6,121	2,513,102	3,069,880	8,271,776
TOTAL LIABILITIES AND FUND EQUITY	\$ 926,406	\$ 6,121	\$ 4,122,121	\$ 5,054,648	\$ 8,568,114

CITY OF CRESTWOOD, MISSOURI

Supplemental Information - Capital Projects Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)

For the year ended June 30, 2002

(See Independent Auditors' Report)

With comparative totals for the year ended June 30, 2001

	Capital	Vehicle	Park and	Totals	
	Improvements	Replacement	Stormwater Improvements	2002	2001
REVENUES					
Taxes	\$ 1,790,978	\$ -	\$ 2,094,215	\$ 3,885,193	\$ 2,524,818
Investment income	1,173	-	199,426	200,599	59,370
Miscellaneous	-	-	349,215	349,215	13,208
Total Revenues	1,792,151	-	2,642,856	4,435,007	2,597,396
EXPENDITURES					
Current:					
Public works	1,052,231	-	-	1,052,231	999,882
Public safety	-	-	-	-	-
Parks and recreation	-	-	523,381	523,381	26,304
Capital outlay	533,256	75,138	6,989,436	7,597,830	593,009
Debt service:					
Principal retirement	99,458	-	-	99,458	110,583
Interest	3,366	-	353,029	356,395	9,817
Issuance cost	-	-	-	-	36,889
Total Expenditures	1,688,311	75,138	7,865,846	9,629,295	1,776,484
REVENUES OVER (UNDER) EXPENDITURES	103,840	(75,138)	(5,222,990)	(5,194,288)	820,912
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	29,827	29,827	-
Operating transfers out	-	-	(179,062)	(179,062)	-
Proceeds from certificates of participation	-	-	-	-	7,552,055
Total Other Financing Sources (Uses)	-	-	(149,235)	(149,235)	7,552,055
REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	103,840	(75,138)	(5,372,225)	(5,343,523)	8,372,967
FUND BALANCES (DEFICIT), JULY 1	381,742	81,259	7,808,775	8,271,776	(101,191)
CHANGE IN ACCOUNTING PRINCIPLE	65,075	-	76,552	141,627	-
FUND BALANCES, JUNE 30	\$ 550,657	\$ 6,121	\$ 2,513,102	\$ 3,069,880	\$ 8,271,776

CITY OF CRESTWOOD, MISSOURI

**Supplemental Information - Capital Projects Funds
Schedule of Revenues and Expenditures - Budget and Actual -
Capital Improvements Fund - Budget Basis**

For the year ended June 30, 2002

With comparative totals for the year ended June 30, 2001

(See Independent Auditors' Report)

	Capital Improvements		
	Budget	Actual	Over (Under) Budget
REVENUES			
Taxes	\$ 2,027,500	\$ 1,790,978	\$ (236,522)
Investment income	-	1,173	1,173
Miscellaneous	-	-	-
Total Revenues	2,027,500	1,792,151	(235,349)
EXPENDITURES			
General services:			
General supporting services - capital outlay	100,000	166,959	66,959
Public works:			
General public works services:			
Contractual services	-	14,494	14,494
Street maintenance services:			
Contractual services	350,000	270,741	(79,259)
Commodities	570,000	860,696	290,696
Capital outlay	225,000	291,107	66,107
Building maintenance services:			
Contractual services	-	108	108
Capital outlay	-	3,550	3,550
Total Public Works	1,145,000	1,440,696	295,696
Public safety:			
Police:			
Contractual services	15,000	-	(15,000)
Capital outlay	161,000	27,366	(133,634)
Fire - capital outlay	100,000	-	(100,000)
Total Public Safety	276,000	27,366	(248,634)
Parks and recreation:			
Parks operations:			
Personnel services	-	-	-
Contractual services	-	-	-
Commodities	-	-	-
Capital outlay	-	27,983	27,983
Total Parks and Recreation	-	27,983	27,983
Total Expenditures	1,521,000	1,663,004	142,004
REVENUES OVER EXPENDITURES	\$ 506,500	\$ 129,147	\$ (377,353)

Park and Stormwater Improvements			Totals		
Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
\$ 2,385,294	\$ 2,094,215	\$ (291,079)	\$ 4,412,794	\$ 3,885,193	\$ (527,601)
-	1,373	1,373	-	2,546	2,546
-	349,215	349,215	-	349,215	349,215
2,385,294	2,444,803	59,509	4,412,794	4,236,954	(175,840)
-	-	-	100,000	166,959	66,959
-	-	-	-	14,494	14,494
-	-	-	350,000	270,741	(79,259)
-	-	-	570,000	860,696	290,696
-	-	-	225,000	291,107	66,107
-	-	-	-	108	108
-	-	-	-	3,550	3,550
-	-	-	1,145,000	1,440,696	295,696
-	-	-	15,000	-	(15,000)
-	-	-	161,000	27,366	(133,634)
-	-	-	100,000	-	(100,000)
-	-	-	276,000	27,366	(248,634)
25,351	74,227	48,876	25,351	74,227	48,876
428,846	359,273	(69,573)	428,846	359,273	(69,573)
5,024	2,632	(2,392)	5,024	2,632	(2,392)
634,850	708,834	73,984	634,850	736,817	101,967
1,094,071	1,144,966	50,895	1,094,071	1,172,949	78,878
1,094,071	1,144,966	50,895	2,615,071	2,807,970	192,899
\$ 1,291,223	\$ 1,299,837	\$ 8,614	\$ 1,797,723	\$ 1,428,984	\$ (368,739)

CITY OF CRESTWOOD, MISSOURI

Fiduciary Fund Types

June 30, 2002

(See Independent Auditors' Report)

FIDUCIARY FUND TYPES

Trust Funds are used to account for assets held by the government in a trustee capacity.

Expendable Trust Fund - This fund is used to account for assets held in a trustee capacity and related receipts and disbursements for the operation of the Sappington House.

Agency Fund - This fund is used to account for bail bonds posted by individuals awaiting court dates and performance escrows posted by individuals/organizations upon acquiring building permits.

CITY OF CRESTWOOD, MISSOURI

**Supplemental Information - Trust and Agency Funds
Combining Balance Sheet**

June 30, 2002

With comparative totals for June 30, 2001

(See Independent Auditors' Report)

	Expendable		Totals	
	Trust	Agency	2002	2001
ASSETS				
Cash and investments	\$ 420,960	\$ 63,315	\$ 484,275	\$ 416,160
Due from other funds	-	102,870	102,870	92,673
TOTAL ASSETS	\$ 420,960	\$ 166,185	\$ 587,145	\$ 508,833
LIABILITIES AND FUND EQUITY				
Liabilities				
Deposits payable	\$ -	\$ 131,995	\$ 131,995	\$ 118,675
Funds held for others	-	34,190	34,190	-
Total Liabilities	-	166,185	166,185	118,675
Fund Balances				
Unreserved:				
Designated for Sappington House Library	336,545	-	336,545	310,167
Designated for Sappington House - other	84,415	-	84,415	79,991
Total Fund Balances	420,960	-	420,960	390,158
TOTAL LIABILITIES AND FUND EQUITY	\$ 420,960	\$ 166,185	\$ 587,145	\$ 508,833

CITY OF CRESTWOOD, MISSOURI

**Supplemental Information - Agency Fund
Statement of Changes in Assets and Liabilities**

For the year ended June 30, 2002

(See Independent Auditors' Report)

	Balance June 30, 2001	Additions	Deductions	Balance June 30, 2002
ESCROW				
ASSETS				
Cash	\$ 26,002	\$ 37,313	\$ -	\$ 63,315
Due from other funds	92,673	14,361	4,164	102,870
TOTAL ASSETS	<u>\$ 118,675</u>	<u>\$ 51,674</u>	<u>\$ 4,164</u>	<u>\$ 166,185</u>
LIABILITIES				
Deposits payable	\$ 118,675	\$ 40,311	\$ 26,991	\$ 131,995
Funds held for others	-	34,190	-	34,190
TOTAL LIABILITIES	<u>\$ 118,675</u>	<u>\$ 74,501</u>	<u>\$ 26,991</u>	<u>\$ 166,185</u>