

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



**FISCAL YEAR ENDED
DECEMBER 31, 2006**

CITY OF CRESTWOOD, MISSOURI

CITY OF CRESTWOOD, MISSOURI



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COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

**PREPARED AND SUBMITTED BY:
FRANK MYERS, CITY ADMINISTRATOR
JUSTINA TATE, ASSISTANT CITY ADMINISTRATOR
JUNE 12, 2007**

CITY OF CRESTWOOD, MISSOURI

Financial Report and Independent Annual Audit

Fiscal Year Ended December 31, 2006

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CITY OF CRESTWOOD, MISSOURI

Financial Report and Independent Annual Audit

Fiscal Year Ended December 31, 2006

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INTRODUCTORY SECTION

**OFFICIALS OF
THE CITY OF CRESTWOOD, MISSOURI**
December 31, 2006

Elected Officials:

Mayor

Roy R. Robinson

Aldermen - Ward One

Richard S. Bland
Richard P. Breeding

Aldermen - Ward Two

Christopher M. Pickel
James Kelleher

Aldermen - Ward Three

Gregg A. Roby
Jesus J. (Jerry) Miguel

Aldermen - Ward Four

Patricia Duwe
Steve A. Nieder

Appointed Officials:

City Administrator

Frank L. Myers

Assistant City Administrator

Justina K. Tate

Chief of Fire Services

Karl E. Kestler

Chief of Police

Mike L. Paillou

Director of Public Services

James A. Eckrich

**Community and Economic
Development Manager**

Ellen Dailey

City Clerk

Kim Cottle



Office of the City Administrator

June 12, 2007

To the Honorable Mayor and Members of the Board of Aldermen,
Citizens of the City of Crestwood,
and other interested organizations:

We are pleased to present the City of Crestwood's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended December 31, 2006. This report has been prepared by the City Administrator and Finance staff and is designed to fairly present the City's financial positions and results of operations of the City as measured by the financial activities of the City.

Management Responsibility: The City's management claims full responsibility for the information that is presented in the following financial statements. This report has been prepared by the Finance Department, and we believe that the financial statements are fairly and accurately presented, in all material aspects, and the financial activities of the government are reflected in the statements, and the statements reflect the changes in financial position for the funds of the City. To the best of our knowledge, this financial reports all disclosures of the City's financial activity so that its financial affairs are understood.

Format: The CAFR is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes the transmittal letter, organizational chart and the City's list of principal officials. The Financial Section includes the auditor's opinion, the management's discussion and analysis, the government-wide and fund financial statements and schedules. The management discussion and analysis should be read in conjunction with the transmittal letter as it provides a narrative, overview and analysis of the basic financial statements. The Statistical section includes selected financial and demographic information.

Preparation of the Financial Statements: The financial statements are prepared in accordance with standard governmental and accounting practices (including accounting principles generally accepted in the United States) which are uniform minimum standards and guidelines for financial accounting and reporting in the United States.

Major Initiatives: The City of Crestwood has prided itself on providing a high level of services to the citizens of Crestwood without direct fiscal impact to the residents. Due to the sales tax generated from the mall and other business in Crestwood, we have maintained low property taxes for our residents. However, since 2001, the City has seen a decline in the amount of revenue generated by sales taxes in the City. This has led to major financial challenges, with deficit spending in both the General Fund and Park and Stormwater Fund.

During the last year, the City made it a priority to stop deficit spending and begin to put the City back on sound financial footing. This has been, and continues to be, a major challenge, since the City relies so heavily on sales taxes to provide funding for City services. This revenue source, which generates approximately 50% of the City's total revenues, has been declining since 2001. Due to this, in FY 2006, the City identified ways to decrease expenses and increase revenues in order to maintain a superior level of services. The City completed the following major initiatives to begin restoring the City's financial picture and the residents' trust in government.

Passage of Proposition S: On January 17, 2006 the Board of Aldermen approved Ordinance No. 3958, which called for an election in the City of Crestwood on April 5, 2006 for an increase in property taxes. Proposition S asked the voters to pass a \$.20 property tax for the purpose of paying the debt and building a cash reserve for the City. The residents of Crestwood voted to approve the property tax by a vote of 2,099 in favor of the proposition to 1,340 against the proposition. This property tax will provide approximately \$520,000 in additional revenue for the General Fund to pay the debt service on a \$2,870,000 annually appropriated note.

With the passage of Proposition S, the City was able to retire it's \$2 million short term operating debt and the \$1.5 million line of credit with Southwest Bank which it had accumulated over the past three years. This debt was retired with the issuance of a \$2,870,000 annually appropriated note held at Royals Bank of Missouri. Additionally, the annually appropriated note allowed the City to establish cash reserves in order to eliminate the City's reliance on the line of credit. The FY 2007 budget year will be the first full year that the City is operating without a line of credit since 2002.

Restructuring of City Departments: Fiscal Year 2006 presented many opportunities for restructuring within the City without the lay offs that usually occur with restructuring. A number of departments were restructured including the Police Department, Finance Department and Municipal Court. This allowed the City to eliminate several positions. The restructurings that occurred in 2006 have been accounted for in the FY 2007 budget, therefore the City does not expect to have the same level of savings in FY 2007. Additionally, during the end of FY 2005, the Departments of Public Works and Parks and Recreation were combined in an effort to reduce operating costs. Several positions within the department were eliminated and the street maintenance and park maintenance staff were combined.

Court Revenues: For several years, the Court revenues for the City have been declining and have been well below the amount that should be generated by a municipal court of the City's size. In FY 2006, the City restructured the court division and has developed a more effective and efficient court process. This effort has increased the amount of revenue generated by the court.

Watson Plaza: The Watson Plaza is a redevelopment district which is funded by Tax Increment Financing and a Transportation Development District. In 2006, two major developments occurred in the Watson Plaza development area: the Walgreens building was completed in 2006 and Shop N Save opened for business in July. Additionally, a number of new businesses have located to the Plaza.

Crestwood Square: Additionally, at the end of 2006, the Board of Aldermen approved the creation of a Community Improvement District to fund the restoration of the Crestwood Square shopping center. In April 2007, Ace Hardware opened its doors for business in the space vacated by Sports Authority

Strategic Planning: In September 2006, the Board of Aldermen engaged in an intensive strategic planning process. During this process, the Board of Aldermen developed a vision of Crestwood in 2021, five year goals that relate to the vision and a twenty four item one year action agenda that works toward meeting the five year goals of the City. Staff updates the Board on a monthly basis on the progress of each action item and how it relates to the vision, mission, and goals. The vision, mission and five-year goals will drive the development of all future budgets in order to ensure that the City works towards meeting the five year goals and the vision established by the Board of Aldermen. It is evident from the strategic planning development that the Board of Aldermen is very focused on creating a financially sustainable community. The number one goal for the Board of Aldermen to attain in the next five years is the creation of a financially sustainable city.

GENERAL INFORMATION ABOUT THE CITY

The City of Crestwood is located in southwest St. Louis County, approximately 12 miles southwest of the downtown St. Louis area. There are 3.6 square miles of land included in the City's corporate boundaries.

ORGANIZATION OF THE GOVERNMENT

On November 8, 1994, the citizens of Crestwood voted to create a Charter Commission to draft a Home Rule Charter designed specifically for Crestwood. The Charter vests the powers of government in the City residents instead of the State Legislature. Crestwood's voters approved the Charter on November 7, 1995. The Charter retained the Mayor-Board of Aldermen-City Administrator form of government. All legislative power and policy-making authority for the City rest with the Board of Aldermen.

The Board of Aldermen is comprised of two duly elected aldermen from each of the City's four wards. The Charter changed the length of the term of the office of aldermen from two (2) years to three (3) years. Crestwood's voters also chose to include term limits for the office of Alderman. A person serving in the office of Alderman is limited to three (3) successive, full three-year terms, not including service to complete an unexpired term. That person is prohibited from serving again as an Alderman in that

ward for three (3) years. The terms of the two (2) aldermen representing each ward is staggered.

The Mayor continues to be elected by Crestwood's voters at large. The Charter changed the length of the term of the office of Mayor from two (2) years to three (3) years. Crestwood's voters chose to include term limits for the office of Mayor. A person serving in the office of Mayor is limited to three (3) successive, full three-year terms, not including service to complete an unexpired term. That person is then prohibited from serving again as Mayor for three years.

THE REPORTING ENTITY AND ITS SERVICES

The City of Crestwood follows Governmental Accounting Standards Board (GASB) provisions for defining the financial reporting entity and identifying entities to be included in its general-purpose financial statements. The GASB requirements for inclusion are based upon financial accountability as compared with previous standards based on oversight responsibility.

The City is comprised of the three major departments which include the Administration, Public Safety, Public Services. These departments are further divided into divisions which provide defined services to the residents and business in Crestwood.

Administration

While all departments are ultimately supervised by the City Administrator, the City Administrator directly oversees the Administration department. This department is responsible for day to day administration of the City, the economic development activities within the City, financial activities, court and the city clerk's office. Additionally, the human resource services and management information systems are under the financial division of the City.

Municipal Court

The Municipal Court, led by the Board appointed Municipal Judge, includes a City Prosecutor, Court Administrator and Deputy Court Clerk. Court is conducted formally on three evenings each month and court offices are open during the standard business day. The Court maintains separate bank accounts for bonds and fines collected. The Municipal Court was reorganized in 2006 due to the retirement of a part-time employee. The Municipal Court is now part of the Administration Department and is staffed by a full time Court Administrator and a Court Clerk.

Safety Services

The Department of Public Safety is comprised of the Police Department as well as the Fire Department. The Chief of Police directs a department that consists of 30 officers and seven civilians. This provides a ratio of 2.9 police officers per 1,000 residents and a consistent response time for emergency calls at two minutes and non-emergency calls at 3.5 minutes.

The Department of Fire Services staffs 24 professional Firefighters, a Fire Chief, an Assistant Fire Chief and an Executive Secretary. All Firefighters are certified by the state through the St. Louis County Fire Academy. The Paramedics have completed 900 hours of training and are state certified. The department stresses fire prevention, as well as suppression. The department is also responsible for inspecting local businesses and industries. These inspections are designed to educate the owners and prevent fires from occurring. Annually, Crestwood's per capita fire loss is lower than the national average. The department maintains an average response time of less than 2.5 minutes.

Public Services

Toward the end of FY 2005, the Parks and Recreation Department was combined with the Department of Public Works to create the Department of Public Services. This department is divided into three main divisions which include Public Works, Maintenance and Recreation.

The Public Works Division of the Public Services Department handles administration, permitting, zoning, solid waste, sewer lateral, commercial code enforcement, animal control, floodplain development, utility coordination, building maintenance, storm water, and capital improvement planning, administration, and inspection. Additionally, this division is responsible for assisting residents with utility problems, working with residents to correct a private storm water problem, or contacting the solid waste provider regarding a missed trash pickup.

The Maintenance Division of the Department of Public Services is responsible for all street maintenance, park maintenance, and vehicle/equipment maintenance within the City of Crestwood. These tasks have been made much more difficult in recent years due to reductions in personnel, reductions in spending, the continued aging of the equipment and infrastructure, and increased costs associated with inflation and rising fuel/material prices.

The Recreation Division of the Department of Public Services has assumed the majority of the duties formerly performed by the Parks and Recreation Department. This includes the operation of the Community Center, the administration of all recreation programs, the operation of the Aquatic Center, and the Sappington House. Expenses within the Recreation Division were dramatically reduced from those previously allocated to the Parks and Recreation Department, and this division has worked extremely hard to continue to provide a high level of service to the residents.

HISTORICAL FACILITY

One of the earliest known landowners and settlers in the Crestwood area was John Sappington. Thomas Sappington, the second oldest son of John and his wife, Jemima, was born January 11, 1783. On October 27, 1808, Thomas married Mary Ann Kinkaid, and their marriage is the first recorded marriage in the books of St. Louis County.

The Thomas Sappington House at 1015 South Sappington Road was built by slave labor

around 1809. Architects consider it a prime example of the Federal architecture of the Maryland and Virginia colonies and most unusual in Missouri at the time it was built.

The City of Crestwood owns the Thomas Sappington House and the 2.2-acre park site where it is located. The City purchased the house in 1961 and with the help of St. Louis County and the Sappington House Restoration Committee, the house was restored. It was opened to the public in July 1966. On June 28, 1974, the house was placed on the National Register of Historic Places.

WATSON ROAD COMMERCIAL DISTRICT

The biggest boon to the City of Crestwood came in 1957 with the development of one of the first shopping malls in the St. Louis County area. The Plaza, including a covered parking garage, covers fifty-five acres with 1.1 million square feet of gross commercial area, one hundred and fifty specialty stores and parking for over 4,400 cars.

Within the Watson Road commercial district, there are approximately 213 acres of land. The predominant land use category in this area is shopping center type use, which comprises 93 acres or 44% of the total land. Since 1958 when Crestwood Plaza opened as a major regional shopping center serving a large part of the metropolitan area, newer commercial development has been oriented toward the traffic generated by Crestwood Plaza and toward the convenience needs of residents of Crestwood and the South County area.

The City is concerned about the long-term future of the Watson Road commercial district and believes that too much of any one kind of commercial development may affect the ability of businesses to survive over the long term.

It is, therefore, the primary goal of the City through its development plan to foster a diversity of the land uses and to maintain an aesthetic and economic atmosphere in the district which will do the utmost to insure the long-term health of the area; and, therefore, economic conditions. The City believes that the current development along the Watson Road corridor will compliment the existing commercial developments.

Sales Taxes

In 1969, the City Sales Tax Act was passed in the State of Missouri, allowing cities with population over 500 to levy, with voter approval, a half-cent to one-cent sales tax. This "point of sale" taxing system was a local option, where taxes would be collected by the State from businesses within a municipality's boundaries and distributed back to that municipality on a monthly basis. On June 23, 1970, the City of Crestwood adopted a one-cent sales tax thereby becoming a "point-of-sale" city.

The "A" and "B" method of distribution of sales tax became effective in St. Louis County in February 1978. The legislation provided that cities that had enacted a local sales tax would remain point of sale, or "A" cities, while other cities and the unincorporated areas of St. Louis County would become part of a "pool", or "B" cities. Thus the municipal

share of the county wide one percent sales tax would be distributed to "B" cities on the basis of population and to "A" cities on the basis of sales within their municipality. This legislation also stipulated that any city that is an "A" city might become a "B" city beginning in 1980 and then every tenth year thereafter. Any city that was an "A" city and became a "B" city may return to "A" status at any time, but may only do so once. When this system went into effect, there were 36 "A" cities and 54 "B" cities.

For two decades, the sales tax distribution with its division between the point of sale and pool cities was a continuing source of controversy. At the heart of the matter was the average per capita receipt for point of sale cities versus the pool cities.

In December 1992, St. Louis County Executive George "Buzz" Westfall presented his "Revenue Reform Proposal". This complex plan proposed addressing the municipal sales tax disparity by: (1) freezing the "high sales tax cities at current levels of sales tax revenue; (2) limiting very high sales tax cities to twice the county average and to redistribute "excess" revenue to the county wide sales; (3) redistributing the "A" cities local use tax (two-thirds to the pool cities and one-third to the County); (4) authorizing a one-eighth or one-quarter local option municipal sales tax.

"Cities for Growth" was formed by "A" cities in January 1993, to promote long-term solutions to taxation within St. Louis County without damaging the revenue base of the cities and to oppose the countywide sales tax referendum proposed by Mr. Westfall. Since the City of Crestwood's major source of revenue is the 1% citywide sales tax, the City of Crestwood became an active member of "Cities for Growth, Inc."

As a result, St. Louis County and the Cities for Growth agreed upon a compromise plan. The major provisions of this compromise were as follows:

- point of sale cities would share the existing one-cent sales tax on the basis of a progressive sliding scale;
- the sharing of the one-cent would be phased in over a three year period (1994, 1995, 1996);
- all areas of the county would retain current status as pool or point of sale;
- the optional one-eighth or one-quarter sales tax available to all cities would be shared with all jurisdictions on a similar sliding scale;
- distribution of the use tax would be one-third to the County, and two-thirds to all cities (pool and point of sale) with sales and use tax receipts below the county-wide average and
- the county would retain a portion of sales tax lost due to future annexations and incorporation. The Missouri Legislature passed this compromise plan in May 1993.

With the passage of the compromised plan in May 1993, the Crestwood's voters approved two sales tax increases in November 1993. The first was a quarter cent sales tax increase that was intended to assist the city's operating fund for sales tax revenue lost under the "Westfall compromise". Approximately 14 percent of this quarter-cent tax is shared with St. Louis County and the "pool" cities.

The second was a half-cent Capital Improvements sales tax with 75% earmarked for street improvements and the remaining 25% to fund capital improvements. This half-cent originally had a 15-year sunset provision. Fifteen percent of the Capital Improvements Sales Tax is shared with St. Louis County.

In August 2002, voters approved a 15 year extension of the Capital Improvements sales tax for the primary purpose of constructing a replacement police facility and continuing the streets improvement program begun in 1996. In 2002, the City issued Certificates of Participation (COPS 2002) to provide a funding source for the construction of the building. After the police building was designed, it was apparent that the cost to build a separate building would be over the budgeted amount for the construction of the building.

Instead of building a stand alone department, the building was redesigned to renovate the existing building structure. With this redesign, the estimates provided to renovate the building were within the budgeted amount for the construction. Therefore, the City went out for bids in 2005 to select a contractor to begin construction of the building. However, once the bids were opened and analyzed the lowest bid received was still \$1.1 million dollars over the amount allotted for the construction of the police building. With the project over budget, the Board of Aldermen did not approve a bid to construct the police building. Since the construction of the police building was deferred, the Board of Aldermen defeased the COPS 2002 in September 2005 due to the cost of construction and the City's financial condition at the time. This action reduced the City's long term debt by \$9,850,000 and relieved the Capital Improvements Fund of a debt service payment of approximately \$785,000.

In August 2000, the voters of Crestwood passed a one-half cent sales tax increase to fund park and storm water improvements in the City. This tax became effective in January 2001 with proceeds to the City beginning in March 2001. A portion of the proceeds from this tax are used to retire the \$8.495 million Certificates of Participation, issued in 2001, which were used to build the Crestwood Aquatic Center and improvements to Whitecliff Park. The remainder of the receipts fund park improvements and maintenance, capital improvements and expenditures for Parks and Recreation. Revenue from this tax for fiscal year 2006 was \$1,638.440.

In August of 2003, voters approved a one-quarter cent Fire Protection Sales Tax intended to help offset the \$2.6 million operating budget of the Department of Fire Services. The tax became effective January 1, 2004 with proceeds beginning in March 2004. This revenue source is designed to assist the General Operating Fund of the City, which bears the cost of municipal fire services.

FINANCIAL CONDITIONS OF THE CITY

FY 2006 proved to be a successful year for the City. During this year, the City was able to take advantage of a number of cost savings and cost containment strategies. Additionally, a major tax initiative was passed which provided the General Fund with

approximately \$520,000 in additional property tax revenue. After three years of relying on a \$1.5 million line of credit to pay operating costs in the City of Crestwood and accumulating a \$2 million debt that the City could not retire, in FY 2006, the City was able to eliminate the line of credit and begin to pay off the debt that it had accumulated with the revenue generated from an increase in the property taxes.

The financial strides the City took in FY 2006 will be hard to duplicate in FY 2007. For FY 2007, the City was able to provide a 2% raise to all employees' salaries after enduring three years of salary freezes. However, the City continues to experience budget pressure due to declining sales tax revenue and increasing operating cost from benefit and cost of services.

Additionally, the City must continue to pay the debt service on the \$2.8 million note and the COPS 2001. The debt service on the Certificates of Participation 2001 requires approximately \$1 million allocated from the Parks and Stormwater Fund for the next five years. With this debt service payment, the General Fund will need to support the Park and Stormwater Fund for the next five years. The administration will continually look to reduce expenditures and find other sources of revenues.

For several years, the City's capital equipment and maintenance have been neglected because the Capital Improvements Fund could not fund both the debt service on the COPS 2002 and the additional maintenance needs of the City. With the defeasance of the COPS 2002 in FY 2005, the City will be focusing on improving and maintaining the existing capital infrastructure which includes fleet maintenance, building maintenance, other capital items and street work. The defeasance of the COPS 2002 retired a \$9 million long term debt and relieved the Capital Improvements Fund of approximately \$785,000 in debt service payments. With this debt retired, the City will begin to strategically use this funding to improve and maintain our capital equipment.

The following financial policies provide the necessary guidance to build a strong financial position:

Balanced Budget

The budget and revised budget that are presented to the Board of Aldermen must conform to the statutory requirements that total proposed expenditures can not exceed estimated revenues to be received including debt issuances, transfers from other funds, and advances from other funds and any unencumbered balance or less any deficit established for the beginning of the budget year.

Budgeted Items Appropriated

Adoption of the Budget shall constitute an appropriation of the amounts specified therein as expenditures (City Charter 7.2 (f)).

Supplemental Appropriations

During the course of the fiscal year, the Board of Aldermen may, by ordinance, make supplemental appropriations if the City Administrator certifies that funds will be available for such expenditures (City Charter 7.2 (g)).

Revenue Policy

It is the goal of the City to maintain a diversified revenue system to protect the City from fluctuations in any one revenue source. When the City establishes rates, fees and other charges, the City considers direct and indirect costs, and the amount charged by similar municipalities.

Insufficient Revenues

If at any time during the fiscal year it appears probable to the City Administrator that the revenues available will be insufficient to meet the amount appropriated, it shall be reported to the Mayor and Board of Aldermen without delay. The City Administrator shall indicate the estimated amount of the deficit and any remedial action taken, and recommend further steps to be implemented. The Board of Aldermen shall then take such further action as it deems necessary to prevent any deficit, and for that purpose it may by ordinance reduce appropriations (City Charter 7.2 (h)).

Transfers and Transfers after Adoption

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. Monies held in reserve, contingency or undesignated funds shall be transferred or encumbered by motion of the Board of Aldermen (City Charter 7.2 (i)).

The General Fund will receive Internal Service Fund transfers from the Capital Improvement Fund and Park and Stormwater Fund to offset the cost of staff time dedicated to the street and park programs.

Prohibited Payments and Obligations

No payment shall be made or obligation incurred against any appropriation except in accordance with appropriations duly made. Any authorization of payment or incurring of obligation in violation of the provisions shall be void and any payment so made shall be illegal. Except where prohibited by law, nothing shall be construed to prevent the making or authorizing of payments or making of contracts for capital improvements to be financed wholly or partly by the issuance of bonds or to prevent the making of any contract or lease providing for payments beyond the end of the fiscal year, provided that such action is made or approved by ordinance (City Charter 7.2 (k)).

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. The City's investments are all categorized as uninsured and unregistered for which the securities are held by the counter party's trust department or agent in the City's

name. The City will only invest in those instruments authorized by the State of Missouri.

Investments and cash management will be the responsibility of the Finance Director. The following factors will be considered before the investment is issued: (1) the safety of the investment, (2) the liquidity of the investment, (3) the yield of the investment. It is the goal of the City to obtain the highest investment return with maximum security while meeting daily cash flow needs and conforming to the Federal and State statutes governing investment of public funds.

The City will attempt to keep all idle cash fully invested in those investments which are determined based upon the stated factors above.

Before investing in new investment opportunities, the City will thoroughly investigate any new investment vehicle prior to committing City funds.

Restricted Cash and Investments

Restricted cash and investments are comprised of cash deposits with banks and money market mutual funds. The funds are restricted for use to construct certain capital assets and for escrow reserve (as required by the certificates of participation offering circular).

Capital Program

The City Administrator shall submit to the Board of Aldermen a capital and personnel needs program for at least a five year period, including a list of all proposed capital improvements, replacement and personnel needs with appropriate supporting information, cost estimates, methods of financing, time schedules, and the estimated annual cost of operating and maintaining the proposed facilities. The program shall be reviewed and extended each year (City Charter 7.2 (b)).

OTHER INFORMATION:

Independent Audit: It is the City's policy to have an annual audit of the books, financial records, and transactions that comprise all the funds and account groups of the City by an independent certified public accountants selected by the Board of Aldermen. The report and opinion of the independent auditors is hereby submitted.

Acknowledgements: This report could not have been completed without the assistance of the entire finance staff and department heads. We would also like to acknowledge the cooperation of our certified public accountants, Schmersahl and Treloar, in assisting with the preparation of the report. Our sincere gratitude is extended to the Board of Aldermen for its interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Citizens of the City of Crestwood

The Honorable Roy R. Robinson, Mayor
& Board of Aldermen (8)

Boards & Committees
Animal Control Board
Board of Zoning Adjustment
Economic Development Committee
Fire Board
Parks Board
Planning, Zoning & Architectural Review Board
Police Board
Public Works Board
Sign Commission
Tax Increment Financing Commission
Ways & Means Committee

City Attorney

City Administrator

Executive Secretary

Administration

Public Services

Office of the City Administrator
Economic Development Specialist
Code Enforcement Officer
Intern
P/T Receptionist

**Office of Finance
& Personnel**
Assistant City Administrator
Assistant Finance Officer
Accounts Payable Administrator
P/T Accountant / Payroll Clerk
MIS Coordination

Office of the City Clerk
City Clerk
Deputy City Clerk
P/T Clerk

Municipal Court
Court Administrator
Deputy Clerk

Department of Police
Chief
Commander
Sergeant
Senior Detective
Patrol Officers
Executive Secretary
Dispatcher
Records Clerk
Seasonal Crossing Guards

Department of Fire Services
Chief
Assistant Chief/Fire Marshall
Captain
Lieutenant Firefighter
Firefighter
EMT Firefighter
Administrative Secretary

Department of Public Works
Assistant Director
Maintenance Superintendent
Street Maintenance Supervisor
Park Maintenance Supervisor
Vehicle Maintenance Supervisor
Building Maintenance Technician
Code Enforcement Officer
Crew Leader
Administrative Secretary
Maintenance Worker
Animal Control Officer

Department of Parks & Recreation
Manager of Recreation Services
Recreation Manager
Recreation Supervisors
Recreation Secretary
Clerk
Custodian
Seasonal Field Maintenance
Seasonal Day Camp Staff
Seasonal Aquatic Center



**Organizational Chart
as of December 31, 2006**



FINANCIAL SECTION



SCHMERSAHL TRELOAR & CO.
Certified Public Accountants

Independent Auditors' Report

Honorable Mayor and Board of Aldermen
City of Crestwood, 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 Crestwood, Missouri, as of and for the year ended December 31, 2006, which collectively comprise the City of Crestwood, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Crestwood, Missouri's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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 of Crestwood, Missouri'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 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Crestwood, Missouri as of December 31, 2006, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2-2 through 2-15 and the Budgetary Comparison Information on pages 3-1 through 3-4 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 an opinion on the financial statements that collectively comprise the City of Crestwood, Missouri's basic financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Schmersahl Treloar & Co., PC
April 20, 2007

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

Financial Highlights of the City of Crestwood

FINANCIAL HIGHLIGHTS

- The total assets of the City of Crestwood government, on a government wide basis, exceeded its liabilities at the close of the most recent fiscal year by \$9,806,545. Additionally, total current assets of the City, exceed total current liabilities by \$3,182,637. This is a significant accomplishment from last year, when the total current assets did not exceed total current liabilities. The deficit of current assets to current liabilities for FY 2005 was \$1,728,007.
- The City's total assets increased by \$3,413,960.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,056,822. The General Fund Balance for the current year is \$3,128,858, which is the first year the General Fund has had a positive fund balance in many years. Last year the General Fund balance was (\$1,466,952). This represents a significant positive change for the City of Crestwood. Of the entire fund balance for the General fund, \$2,888,183 is reserved for subsequent year expenditures/commitments.
- In November 2006, the City issued a \$2.8 million annually appropriated note with Royal Banks to retire the \$2 million debt with Southwest Bank and eliminate the need for a \$1.5 million line of credit. In November 2006, the City operated without a line of credit for the first time in three years. The passage of a \$.20 property tax increase will provide sufficient revenues in the General Fund to retire the debt service on the issuance of this note over the next seven years.
- As stated the General Fund Balance was \$3,128,858. The General Fund revenues exceed General Fund expenditures by \$1,725,810, excluding the transfers of \$2.8 million. This is a significant accomplishment compared to last year's deficit spending of \$390,312. During FY 2006, the City and staff identified cost saving opportunities which included organizational restructuring to realize savings, implementation of a cost savings initiative to further control cost within the City of Crestwood, a 6% decrease in health insurance costs and successful passage of Prop S which was a major property tax initiative to provide the General Fund with approximately \$520,000 in new revenues.
- The Capital Improvements Fund realized a change in fund balance of \$715,757 for a total fund balance of \$1,207,382. Due to the City's financial conditions, non-essential capital improvement items were not purchased because of the precarious financial situation in Crestwood. Revenues in this fund exceed expenditures by \$805,889, excluding transfers of \$90,132.

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

- The Park Stormwater Fund fund balance is (\$295,405). This is an improvement from the prior year's fund balance of (\$445,809). Revenues exceeded total expenditures by \$1,196,669. However, this fund is still responsible for the principal and interest payments on the COPS 2001 debt service which amounted to a transfer of funds in the amount of \$1,046,265. Including this transfer, the Park and Stormwater Fund had a net change of the previous fund balance deficit by \$150,404.
- During FY 2006, the City implemented accounting standards and procedures to ensure the accuracy of the financial records of the City, including, timely bank reconciliations, regular account reconciliations, and the appropriate accruals and reversals in order to accurately represent the City's finances at the end of the year.

OVERVIEW OF THE 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 basic financial statements*. In addition to basic financial statements, this report contains required and additional supplementary information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with broad information about the City's finances, similar to those used by private-sector companies. The two government-wide statements, Statement of Net Assets and Statement of Activities, report the City's net assets and how they have changed (Full accrual basis as required by GASB 34, which was implemented this fiscal year). In the government-wide statements, a distinction is made between governmental-type activities and business-type activities. Governmental-type activities are those normally associated with the operation of a government such as health, highways, public safety, and parks.

The **Statement of Net Assets** is a snapshot of the City's financial status as of a specific point in time and presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Increases and decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating. The statement of net assets also provides information on unrestricted and restricted net assets, and net assets invested in capital assets, net of related debt.

The **Statement of Activities** presents information on how the City's net assets changed during the most recent fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of the timing of related cash flows.

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

The Statement of Activities also presents the various functions of the City and the degree to which they are supported by charges for services, federal and state grants and contributions, tax revenues, and investment income.

The governmental activities of the City include general government, public works, public safety (police, fire, and municipal court), parks and recreation, as well as interest and fiscal charges.

The government-wide financial statements include not only the City of Crestwood (known as the primary government), but also Sappington House, for which the City of Crestwood is financially accountable. Financial information for this unit is reported separately from the financial information for the primary government itself. The government-wide financial statements can be found on pages 2-16 and 2-19 of the report.

Fund Financial Statements

The fund financial statements provide information about groupings of related accounts which are used to maintain control over resources for specific activities or objectives, on a modified accrual basis of accounting. The City uses fund accounting to demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the City's most significant funds. The funds of the City can be divided into the following three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*. However, the City of Crestwood does not have any propriety funds or fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be used in evaluating a government's near-term financing requirements.

Because the focus of governmental funds (modified basis of accounting) is narrower than that of the government-wide (full accrual basis of accounting) financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

The City of Crestwood maintains multiple individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances, for the General, Special Revenue (Sewer Lateral), Capital Improvement, Park and Stormwater, and Debt Service Funds, all of which are considered to be major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation. The basic governmental funds financial statements can be found on pages 2-17 and 2-20 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 2-22 through 2-37 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that includes budgetary presentations. The City adopts an annual appropriated budget for its General, Capital Improvement, and Park and Stormwater Funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their respective budgets. Required supplementary information can be found on pages 3-1 though 3-4 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS OF THE CITY OF CRESTWOOD

Net assets. As noted earlier, net assets may, over time, serve as a useful indicator of a government's financial position. The City's combined net assets were \$9,806,545. The City's combined net assets increased by \$3,159,086 or 48% between fiscal year ended 2005 and fiscal year ended 2006.

The significant changes to the City's assets in 2006 are the current assets of the City. The current assets of the City increased by \$3,550,518 or 135%. A large portion of this is due to an increase in the property taxes which generated approximately \$520,000 in additional revenues for the City. Additionally, the expenditures in the Capital Improvements Fund were minimal, due to the precarious financial position of the City. Therefore, this Fund increased its cash balance significantly.

Significant changes to the liabilities include a decrease in current liabilities of \$1,360,126. This change can be attributed to the issuance of a seven year \$2.8 million note to retire the short term liability of a \$2 million debt and \$1.5 million line of credit. While short term liability of the City decreased, the long-term liabilities increased by \$1,615,000. This increase represents the addition of the long term liability for the \$2.8 million annually appropriated notes.

CITY OF CRESTWOOD, MISSOURI
 Management Discussion and Analysis
 For the Year Ended December 31, 2006

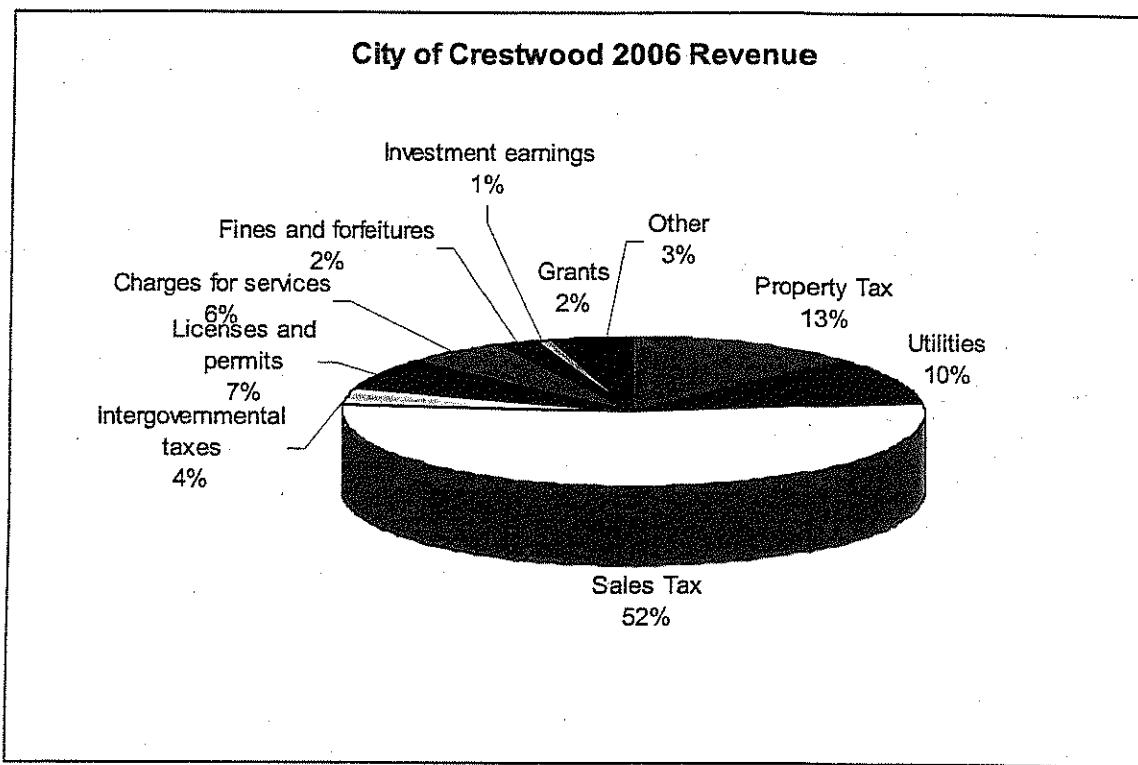
Of the \$9,806,545 in total net assets, the amount restricted for Debt Service Payments is \$3,753,627 which represents the debt service on the \$2.8 million note to be repaid over seven years or in 2013 and the debt service on the COPS 2001.

	December 31		2006 Change	
	2006	2005	Amount	Percent
Assets				
Current and other assets	\$ 6,179,925	\$ 2,629,407	\$ 3,550,518	135%
Non-Current assets	<u>13,768,908</u>	<u>13,905,466</u>	<u>(136,558)</u>	-1%
Total Assets	<u>19,948,833</u>	<u>16,534,873</u>	<u>3,413,960</u>	21%
Liabilities				
Current liabilities	2,997,288	4,357,414	(1,360,126)	-31%
Long-Term liabilities	<u>7,145,000</u>	<u>5,530,000</u>	<u>1,615,000</u>	29%
Total Liabilities	<u>10,142,288</u>	<u>9,887,414</u>	<u>254,874</u>	3%
Net Assets				
Restricted for:				
Capital projects	1,101,067	436,406	664,661	152%
Debt Service	3,753,627	865,610	2,888,017	334%
Non-expendable trust	320,668	225,306	95,362	42%
Unrestricted	<u>4,631,183</u>	<u>5,120,137</u>	<u>(488,954)</u>	-10%
Total Net Assets	<u>\$ 9,806,545</u>	<u>\$ 6,647,459</u>	<u>\$ 3,159,086</u>	48%

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

ANALYSIS OF FUND BALANCE

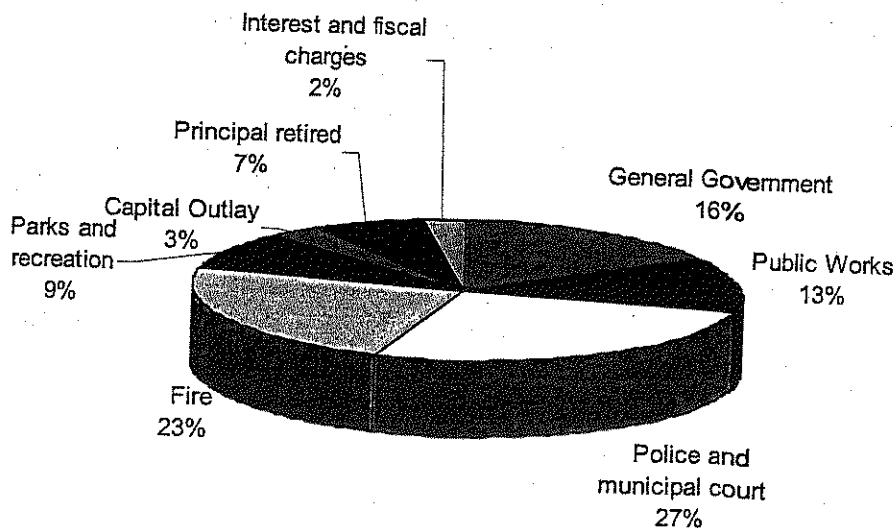
Changes in Fund Balance. The City's total revenue on a governmental fund basis was \$14,025,157. Taxes, which include revenues generated from sales taxes, property taxes, and utility taxes, represent 79.8% percent of the City's revenue. Tax revenues were \$11,198,328, with approximately \$.66 from each dollar coming from sales tax, \$.16 from each dollar coming from property tax, approximately \$.13 from each dollar comes from utility tax, and approximately \$.05 from each dollars is generated by Intergovernmental. Charges for service represent approximately 6% of revenues and licenses and permits represent approximately 7% of total revenues generated in the City of Crestwood. The remainder is from state and federal grants, interest earnings, gain on sale of capital assets and miscellaneous revenues.



The total cost of all programs and services was \$11,298,020. The City's expenses cover a range of typical City services which include general administration of government, police, fire, public works and park maintenance as well as capital outlay and debt service. The program with the largest burden on the general fund was public safety, in the amount of \$5,650,128, or 50% of all programs and services.

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

City of Crestwood 2006 Expenditures



Governmental Activities

The statement of revenues, expenditures and changes in fund balance and narrative illustrate the City's revenues by source, and expenses by function. Sales taxes, utility taxes, and property taxes totaling 79.8% are the primary revenue sources used to support City-wide program activities. As shown, public safety is the largest function accounting for 50% of expenses.

- Of the \$1.033 million increase in revenues, \$969,762 is from an increase in property tax. This is a significant increase from FY 2006 to FY 2005. The increase can be attributable to two main events. The first is the passage of Prop S which increased the property tax on both real estate and personal property by \$.20 generating approximately \$520,000 in additional revenues. Additionally, FY 2005 was a reassessment year. Due to the reassessment, many residents paid the property tax under protest and these taxes were not recognized in FY 2005. The amount of FY 2005 property taxes paid under protest, of approximately \$115,000, was ultimately recognized by the City, when the taxes paid under protest were released to the City in 2006.
- The revenue generated from licenses and permits increased approximately \$152,000 in 2006. This is primarily due to the voters approving a \$.25 increase in business licenses fee from \$1.00/\$1,000 of gross receipts to \$1.25/\$1,000 of gross receipts in FY 2006.

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

- During FY 2006, there was \$11 million decrease in expenditures. A large portion of this is due to the cost the City incurred in FY 2005 to defease the COPS 2002. The cost of this defeasance was \$9.095 million in principal and \$350,000 in interest and fiscal charges. With the defeasance of the COPS 2002, the Capital Improvements Fund no longer has this liability, which is evident in the difference between the principal retired in FY 2006 and FY 2005.
- During FY 2006, all of the operating expenditures decreased. The most significant decrease is the amount of money spent on Capital Outlay. During FY 2006, the City spent little on capital improvements due to the financial condition of the City. However, all expenditures decreased in FY 2006 due to the restructuring of several departments including police and finance, and placing tight fiscal controls on expenditures.

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds

	December 31		2006 Change	
	2006	2005	Amount	Percent
Revenues				
Taxes				
Property Tax	\$ 1,793,577	\$ 823,815	\$ 969,762	118%
Utilities	1,417,314	1,319,761	97,553	7%
Sales Tax	7,446,423	7,491,333	(44,910)	-1%
Intergovernmental taxes	<u>541,014</u>	<u>530,014</u>	<u>11,000</u>	2%
	<u>11,198,328</u>	<u>10,164,923</u>	<u>1,033,405</u>	10%
Other				
Licenses and permits	945,649	792,722	152,927	19%
Charges for services	819,730	812,042	7,688	1%
Fines and forfeitures	307,018	255,252	51,766	20%
Investment earnings	127,359	217,251	(89,892)	-41%
Grants	255,934	178,509	77,425	43%
Other	<u>371,139</u>	<u>296,743</u>	<u>74,396</u>	25%
Total Revenues	<u>14,025,157</u>	<u>12,717,442</u>	<u>1,307,715</u>	10%
Expenditures				
Current				
General Government	1,824,822	2,078,663	(253,841)	-12%
Public Works	1,413,305	1,539,645	(126,340)	-8%
Public Safety:				
Police and municipal court	3,002,148	3,154,267	(152,119)	-5%
Fire	2,647,980	2,664,554	(16,574)	-1%
Parks and recreation	1,000,426	1,241,798	(241,372)	-19%
Capital Outlay	343,855	1,285,248	(941,393)	-73%
Debt Services:				
Principal retired	785,000	9,850,000	(9,065,000)	-92%
Interest and fiscal charges	<u>280,484</u>	<u>663,901</u>	<u>(383,417)</u>	-58%
Total Expenditures	<u>11,298,020</u>	<u>22,478,076</u>	<u>(11,180,056)</u>	-50%
Revenues Over Expenditures	<u>2,727,137</u>	<u>(9,760,634)</u>	<u>12,487,771</u>	-128%
Other Financing Sources Used				
Transfers in	4,006,397	2,504,647	1,501,750	60%
Transfers out	(1,136,397)	(2,504,647)	1,368,250	-55%
Total Transfers	<u>2,870,000</u>	<u>-</u>	<u>2,870,000</u>	-
Net Change In Fund Balance	<u>5,597,137</u>	<u>(9,760,634)</u>		
Fund Balance December 31	<u>\$ 6,056,822</u>	<u>\$ 459,685</u>		

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

The focus of the City's governmental funds is to provide information on inflows and balances of available resources which can be spent. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund Budgetary Highlights

In March of 2006, the Board of Aldermen revised the City's budget. The following budget adjustments were made during the course of FY 2006:

1. The Police Department's budget was decreased by \$120,000.
2. The transfer from the Park and Stormwater Fund to the General Fund of \$123,050 was eliminated.
3. Capital Improvements expenditures of \$580,711 were eliminated.

At the end of the current fiscal year, the total fund balance of the General Fund was \$3,128,858. Of this amount \$240,675 is undesignated, or not restricted in its use. This represents a change in fund balance of \$4,595,810 from the fund balance at FY 2005 of (\$1,466,952). The change of the current fiscal year's fund balances are mainly due to:

1. Issuance of a \$2.8 million annually appropriated note: Beginning in September of 2003, the City was forced to utilize a line of credit in order to pay the operating cost of the City. Over a period of three years, the City accumulated a debt of \$2 million to Southwest Bank, and had an additional \$1.5 million line of credit available. In November of 2006, the City issued \$2.8 million in annually appropriated notes. With the issuance of this note, the City was able to retire the \$2 million dollar note and the outstanding amount on the line of credit. Since November of 2006, the City has operated without the existence of a line of credit.
2. The passage of Proposition S: Proposition S was a property tax initiative that increased the property tax on both real estate and personal property by \$.20 generating an additional \$518,139 in additional revenue in FY 2006. This tax initiative was approved by the voters in April 2006 and the revenue generated

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

from this increase will be solely used to pay the debt service payments on the \$2.8 million dollar note issued by the City.

3. During 2006, the City focused on being fiscally responsible by implementing quarterly financial reports to the public, focusing on ways to save cost and restructuring departments as a means to save money. The police department was restructured which resulted in the elimination of one position. Additionally, the City did not fill two budgeted patrol positions in an effort to save money.
4. Revenues for this Fund were \$1,294,494 over budget and expenditures were \$870,156 under budget. Revenues exceeded expenditures by \$1,725,810. Please note the supplemental pages which compare actual to budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City has invested \$19,621,474 (\$12,762,018 net of depreciation) in a broad range of capital assets, including buildings, park facilities, roads, and bridges. This amount represents a net increase of \$304,178 for the current fiscal year (including additions and deductions) or a net increase of 1.6%, over last year.

For government-wide financial presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. Additional information on the City of Crestwood Government's capital assets can be found in Note C of the audit report.

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

<u>Governmental Activities</u>	<u>Balance, December 31, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, December 31, 2006</u>
Capital Assets Not Being Depreciated				
Land	<u>\$ 1,683,703</u>	<u>\$225,000</u>	<u>\$ -</u>	<u>\$ 1,908,703</u>
Capital Assets Being Depreciated				
Buildings and other structures	12,948,003	220,061	-	13,168,064
Infrastructure	1,880,959	204,409	-	2,085,368
Vehicles	1,399,234	12,000	(39,676)	1,371,558
Machinery and equipment	2,805,241	53,134	-	2,858,375
Construction in progress	283,859	33,364	(179,114)	138,109
Total capital assets being depreciated	<u>19,317,296</u>	<u>522,968</u>	<u>(218,790)</u>	<u>19,621,474</u>
Less accumulated depreciation for:				
Buildings and other structures	4,503,974	441,043	-	4,945,017
Infrastructure	136,712	89,762	-	226,474
Vehicles	1,154,685	67,645	(38,353)	1,183,977
Machinery and equipment	2,255,195	157,496	-	2,412,691
Total accumulated depreciation	<u>8,050,566</u>	<u>755,946</u>	<u>(38,353)</u>	<u>8,768,159</u>
Governmental capital assets, net	<u>\$12,950,433</u>	<u>(\$ 7,978)</u>	<u>(\$180,437)</u>	<u>\$12,762,018</u>

Long-Term Debt

At the end of fiscal year 2006, the City had outstanding long-term debt obligations for governmental activities of \$8,400,000. Of this amount, \$5,530,000 is due to the 2001 Certificates of Participation and \$2,870,000 is due to the issuance of the 2006 annually appropriated note with Royal Banks. This represents an increase of \$2,085,000 or 33% from FY 2005 to FY 2006.

The City is also liable for the accrued leave balances payable to all full-time employees who have been employed for more than one year. This liability as of December 31, 2006 was \$339,540.

Reserve for Encumbrances

Within the fund balance section of the Balance Sheet report is an amount identified as reserved for encumbrances. This amount represents purchase orders or contracts entered into prior to the end of the fiscal year where the work has not been completed but the City wishes to complete. After staff reviewed all opened purchase orders and contracts, there was a total of \$159,656 in open purchase orders.

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

To comply with proper accounting treatment of this reserve the staff will be including estimates for the encumbrances to be carried forward into the following year's budget request. This will alert the Board to the true expenditures of the City during the year and the impact of these reserves on the budget and related fund balance

Additional information on the City of Crestwood Government's long-term debt can be found in Note D of the audit report.

Economic Factors and the Budget for Fiscal Year 2007

The City's current economic position has shown little growth. For the FY 2007 Budget, the City conservatively estimated revenues, especially sales tax. The FY 2007 Budget reflects a 3% decline in the sales tax collected from 2006 to 2007. One area where the City has increased revenues is in the amount of fines and fees collected by the court. This is due to a restructuring in the court and police administration as well as increasing the efficiencies in the court system. Therefore, the City budgeted a substantial increase in the revenue generating source.

Although a decrease in sales tax revenues are anticipated, the City has three redevelopment areas, which include Watson Plaza, Sappington Square and Crestwood Square, that will provide new revenue sources to the City of Crestwood, in the form of sales taxes, utility taxes and licenses.

During the 2007 budgeting period the City was able to provide a 2% raise to all employees within the City. This was a significant accomplishment since most employees salaries had been frozen since July 1, 2004. Even with the increase in salaries, the City was able to budget expenditures relatively flat compared to FY 2007. Additionally, during the budgeting process, the City budgeted revenues to exceed expenditures by \$165,000, allowing the City to begin building the cash reserves.

In an effort to further improve the City's accounting, staff is working to develop uniform procedures to properly record all financial activities of the City. Also, activities in some non-major funds will be consolidated into the General Fund statements in order to appropriately reflect General Fund activities. In addition, the appropriate auditing schedules that were completed by staff in FY 2006 are being maintained and updated in effort to reduce staff time to produce the appropriate documents for the audit.

This Administration's fiscal priorities include rebuilding financial credibility; establishing internal controls, policies and procedures; documentation; and public presentation of financial information, as well as rebuilding cash reserves sufficient to adequately manage the services expected and deserved by the public we serve.

The new Administration prepared budgets for the General Fund, Capital Improvements Fund and Park and Stormwater Fund for the fiscal year ending December 31, 2007.

CITY OF CRESTWOOD, MISSOURI
Management Discussion and Analysis
For the Year Ended December 31, 2006

Requests for Information

This financial report is designed to provide a general overview of the City of Crestwood Government's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Tina Flowers, City Clerk City of Crestwood, One Detjen Drive, Crestwood, MO, 63126.

CITY OF CRESTWOOD, MISSOURI

Statement of Net Assets

December 31, 2006

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash and investments	\$ 3,742,079
Receivable, net of allowance for uncollectibles	2,257,387
Taxes	180,459
Other assets	6,179,925
Total Current Assets	6,179,925
Noncurrent Assets	
Restricted cash and investments	896,606
Deferred charges	110,284
Capital assets:	
Land	1,908,703
Machinery and equipment	2,858,375
Infrastructure	2,085,368
Buildings and other structures	13,306,173
Vehicles	1,371,558
Less accumulated depreciation	(8,768,159)
Net capital assets	12,762,018
Total Noncurrent Assets	13,768,908
TOTAL ASSETS	19,948,833
LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	819,977
Accrued salaries	449,961
Accrued interest	93,039
Compensated absences	339,540
Current portion of long-term obligations	1,255,000
Refundable deposits	39,771
Total Current Liabilities	2,997,288
Noncurrent Liabilities	
Noncurrent portion of long-term obligations	7,145,000
TOTAL LIABILITIES	10,142,288
NET ASSETS	
Restricted for:	
Capital projects	1,101,067
Debt service	3,753,627
Nonexpendable trust	320,668
Unrestricted	4,631,183
TOTAL NET ASSETS	\$ 9,806,545

See accompanying notes to basic financial statements

CITY OF CRESTWOOD, MISSOURI
Balance Sheet - Governmental Funds
December 31, 2006

	General Fund
ASSETS	
Cash and investments	\$ 1,359
Cash and investments - restricted	569
Receivables, net of allowance for uncollectibles:	836
Taxes:	450
Property	569
Sales	836
Utilities taxes	450
Net receivables	1,856
Other assets	156
Internal balances	1,025
TOTAL ASSETS	\$ 4,396
LIABILITIES	
Accounts payable and accrued liabilities	\$ 370
Accrued salaries	449
Internal balances	407
Refundable deposits	39
TOTAL LIABILITIES	1,267
FUND BALANCES (Deficit)	
Reserved for:	
Encumbrances	18
Debt service	2,870
Nonexpendable trust	0
Unreserved:	
Undesignated	240
TOTAL FUND BALANCES (DEFICIT)	3,128
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 4,396

CITY OF CRESTWOOD, MISSOURI

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets

December 31, 2006

Total fund balances for governmental funds \$ 6,056,822

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund financial statements. Those assets consist of:

Land and improvements	\$ 1,908,703
Machinery and equipment	2,858,375
Infrastructure	2,085,368
Buildings and other structures	13,306,173
Vehicles	1,371,558
Accumulated depreciation	(8,768,159)

12,762,018

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at December 31, 2006 are:

Accrued interest on long-term debt	(93,039)
Compensated absences and future accruals	(629,540)
Unamortized issuance costs for certificates of participation	110,284
Certificates of participation - Series 2001	(8,400,000)
Total long-term liabilities	(9,012,295)
Total net assets of governmental activities	\$ 9,806,545

CITY OF CRESTWOOD, MISSOURI

Statement of Activities

Year Ended December 31, 2006

	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues			Primary Government		
	Operating Charges For Expenses	Capital Grants and Services	Grants and Contributions	Governmental Activities	Business- Type Activities	Total
FUNCTION PROGRAMS						
Primary Government						
Governmental activities:						
General government	\$ 1,820,395	\$ 1,195,508	\$ -	\$ (624,887)	\$ -	\$ (624,887)
Public works	1,511,919	254,908	-	238,814	(1,018,197)	-
Public safety:						
Police	3,139,542	307,018	-	-	(2,832,524)	-
Fire	2,761,372	-	13,000	-	(2,748,372)	-
Parks and recreation	1,340,602	686,102	4,120	-	(650,380)	-
Interest and fiscal charges	292,241	-	-	-	(292,241)	-
Total Primary Government	\$ 10,866,071	\$ 2,443,536	\$ 17,120	\$ 238,814	\$ (8,166,601)	\$ (8,166,601)
General Revenues:						
Taxes:						
Property taxes				\$ 1,793,577	\$ -	\$ 1,793,577
Utilities taxes				1,417,314	-	1,417,314
Sales tax				7,987,437	-	7,987,437
Investment earnings				127,359	-	127,359
Total general revenues				11,325,687	-	11,325,687
CHANGE IN NET ASSETS						
Net assets, beginning of year				3,159,086	-	3,159,086
Net assets, end of year				6,647,459	-	6,647,459
				\$ 9,806,545	\$ -	\$ 9,806,545

See accompanying notes to basic financial statements

CITY OF CRESTWOOD, MISSOURI
Statement of Revenues, Expenditure
Governmental Funds
Year Ended December 31, 2006

	Gene Fun
REVENUES:	
Taxes:	
Property taxes	\$ 1,79
Utilities taxes	1,41
Sales tax	4,37
Intergovernmental taxes	54
	<hr/>
Licenses and permits	8,12
Charges for services	94
Fines and forfeitures	4
Investment earnings	30
Grants	2
Other	1
	<hr/>
TOTAL REVENUES	9,74
EXPENDITURES:	
Current:	
General government	1,53
Public works	83
Public safety:	
Police and municipal court	2,99
Fire	2,64
Parks and recreation	1
Capital outlay	1
Debt service:	
Principal retired	1
Interest and fiscal charges	1
	<hr/>
TOTAL EXPENDITURES	8,01
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,72
OTHER FINANCING SOURCES (USES)	
Transfers in	2,870
Transfers out	1
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES), NET	2,870
NET CHANGE IN FUND BALANCES	4,595
FUND BALANCES:	
Beginning of year as previously reported	(1,466)
End of year	\$ 3,128

CITY OF CRESTWOOD, MISSOURI**Reconciliation of the Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**
Year Ended December 31, 2006

Net change in fund balances - total governmental funds	\$ 5,597,137
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded purchases and the construction of capital assets in the current period.	(188,415)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount represents the payment of long-term debt principal of \$785,0000 which is an expenditure in the governmental funds financial statements and reduces the long-term liability in the statement of activities and the issuance of additional long-term debt totaling \$2,870,000.	(2,085,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds financial statements, as follows:	
Accrued compensated absences and future accruals	(184,269)
Unamortized issuance costs for long-term obligations, net of amortization	31,390
Interest accruals on long-term debt	<u>(11,757)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$ 3,159,086

Notes to Basic Financial Statements

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006

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 basic financial statements are summarized below:

Reporting Entity

The basic 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 basic financial statements include all funds, agencies, boards, commissions and authorities for which the City is financially accountable.

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole, excluding fiduciary activities. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns with composite columns for non-major funds. The accounts of the City are organized on the basis of funds, 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 balances/net assets, revenues and expenditures or expenses. Governmental 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 basic financial statements as follows:

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

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 Improvement Fund – The Capital Improvement Fund is used to account for financial resources to be used for the acquisition or construction of major capital items.

Park and Stormwater Fund – The Park and Stormwater Fund is used to account for financial resources to be used for the acquisition or construction of major capital items related to parks and stormwater projects.

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 for the Series 2001 Certificates of Participation.

Non-Expendable Trust Fund – The Non-Expendable Trust Fund was established by the Board of Aldermen on April 27, 2004 by Ordinance Number 3826 in order for the City to accumulate cash reserves to be used to meet normal obligations of the General Fund throughout the fiscal year due to cash flow shortages. The Trust Account will be funded by annual appropriation approved by the Board of Aldermen during the budget process for each fiscal year. As of December 31, 2006, \$315,462 had been transferred to the Non-Expendable Trust account. This fund is included in the Non-Major Funds.

Non-Major Funds – Non-major funds consist of funds established to account for the transactions of auxiliary activities that of the City. Included in these funds are the activities of Sappington House, Park and Police Donations, Friends of Animals, and other incidental activities.

Measurement Focus and Basis of Accounting

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

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

The financial statements of the City are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements, Accounting Principles Board (APB) opinions and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures issued after November 30, 1989, unless they conflict with GASB pronouncements, in which case, GASB prevails.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied.

The governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are 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 pay current liabilities. The City considers property taxes as available if they are collected within sixty days after year-end. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Licenses, permits, fines, fees, recreation programs and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

GASB Statement No. 33 groups nonexchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred revenues until the period of the exchange.

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

The City recognizes assets from imposed nonexchange revenue transactions (such as real estate and personal property taxes) in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits and court fines and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have been met. Any resources received before eligibility requirements are met are reported as deferred revenues.

Charges for services in the governmental funds are exchange transactions, and are, therefore, not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

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

Budgets and Budgetary Accounting

An annual budget is legally adopted through passage of an appropriation ordinance by the Board of Aldermen for the General, Capital Improvements Fund, Park and Stormwater Fund, and the Sewer Lateral Fund, 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 basic financial statements:

Department heads prepare departmental operating budgets and the Director of Finance makes revenue projections on or before September 15. The Finance Department edits and assembles the data for review.

- The City Administrator and Director of Finance review and revise departmental operating budgets based upon estimated revenue projections and operational priorities.
- 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.

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Budgets and Budgetary Accounting *(Continued)*

- The Ways and Means Committee reviews a preliminary budget approximately three months prior to the new fiscal year to discuss revenue and fund balance projections, and proposed expenditures for all funds.
- Following any recommendations by the Ways and Means Committee, the Board of Aldermen conducts budget work sessions 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 to hear taxpayer comments of the proposed budget.
- The budget is then adopted by ordinance.
- 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 any 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 supplemental appropriations during the fiscal year ended December 31, 2005 and reflected as budget revisions in the accompanying supplemental information.
- 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.

City of Crestwood, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2006
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Budgets and Budgetary Accounting *(Continued)*

The City's budgetary process is presented upon a basis materially consistent with generally accepted accounting principles (GAAP) except for the following:

	<u>Park and Stormwater Fund</u>				
	General Fund	Capital Improvements Fund	Park and Stormwater Fund Operations	COPS 2001 Aquatic Center	Non-Major Funds
Expenditures GAAP	\$8,017,854	\$682,869	\$1,316,836	\$1,067,933	\$ - 0
Un-budgeted expenditures	-	-	-	-	85,486
Total	<u>\$8,017,854</u>	<u>\$682,869</u>	<u>\$1,316,836</u>	<u>\$1,067,933</u>	<u>\$85,486</u>

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.

Cash and Investments

Cash and investments are comprised of the City's cash deposits with banks, petty cash funds, repurchase agreements, and money market funds.

Restricted Cash and Investments

Restricted cash and investments are comprised of cash deposits with banks and money market mutual funds. The funds are restricted for escrow reserve (as required by the certificates of participation offering circular).

Capital Assets and Depreciation

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at original or estimated original cost and comprehensively reported in the government-wide financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$5,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives for depreciable assets are as follows:

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation (Continued)

Buildings and structures	40 years
Improvements other than buildings	3 – 15 years
Furniture, fixtures, and equipment	3 – 15 years
Infrastructure	20 – 40 years

General infrastructure assets acquired after July 1, 2002, were recorded as capital assets and consist of the road network assets that were acquired or that received substantial improvements and are reported at historical cost. The costs of normal maintenance and repairs that do not add value to the asset or materially extend the assets lives are not capitalized.

Compensated Absences

Under terms of the City's personnel policy, vacations accrue immediately after employment and employees are eligible for vacation time after six months employment with the City. Upon termination, the employee is entitled to payment for accrued vacation benefits. 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. The entire accrued benefit liability related to the City's compensated absences in the amount of \$339,540 has been recorded in the government-wide financial statements.

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.

Property Tax Revenue

The City's property tax is levied each September based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Taxes are billed in November, due and collectible on December 31, and delinquent after December 31. Liens are placed on property for delinquent taxes on the January 1 following the due date.

Taxes levied for calendar year 2006 are recorded as receivables, net of estimated uncollectible amounts; however, revenue recognition on all property tax receivables not collected within 60 days after year-end is deferred on the fund financial statements and recognized as revenue in the government-wide financial statements. The calendar year of 2006, the tax levy was due and collectible within the City's fiscal year ended December 31, 2006.

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Revenue (Continued)

All property tax assessment, billing, and collection functions are handled by the St. Louis County government. Taxes collected are remitted to the City by the St. Louis County Collector (the County Collector) in the month subsequent to the actual collection date. Taxes held by the County Collector, if any, are included in municipal taxes receivable in the accompanying fund financial statements.

Taxes Receivable

All taxes receivable amounts are scheduled for collection in the subsequent fiscal year.

Interfund Transactions

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

Transfers

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

Internal Balances

Elimination of interfund activity recorded as internal balances in the government funds financial statements has been made for governmental activities in the government-wide financial statements.

Reserved Fund Balances

Within the governmental fund financial statements, reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriation or is legally segregated for specific future use. Reserved fund balances at December 31, 2006 are comprised of encumbrances for various contractual services, debt service, and reservations for amounts in the nonexpendable trust.

Amortization

In the government-wide financial statements, certificates of participation issuance costs are recorded as deferred charges. Such amounts are amortized using the straight-line method over the term of the related certificates of participation.

In the fund financial statements, governmental fund types recognize certificates of participation issuance costs during the current period. The face amount of certificates of participation issued is reported as other financing sources.

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006
(Continued)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Payable

The City's outstanding accounts payable at year-end was entirely attributable to direct payments to vendors.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year-end and revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

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 December 31, 2006, the carrying amount of the City's bank deposits totaled \$3,289,963 with bank balances of \$3,728,756. The bank balance was covered by the FDIC in the amount of \$880,503; \$2,371,930 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 \$476,323 was uncollateralized. Subsequent to year end, such balance was covered as described above without loss to the City.

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. The City's investments are all categorized as: uninsured and unregistered for which the securities are held by the counter party's trust department or agent in the City's name.

City of Crestwood, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2006
(Continued)

B. CASH AND INVESTMENTS *(Continued)*

Investments *(Continued)*

	<u>Carrying Amount/Fair Value</u>	
	COPS Trustee Accounts	Sappington House
U.S. Government and Agency Securities	\$863,490	\$131,935
Long-term Certificates	-	316,006
Money Market Funds – COPS Series 2001	<u>33,116</u>	-
 Total Investments	 <u>\$896,606</u>	 <u>\$447,941</u>

C. CAPITAL ASSETS

Changes in Capital Assets

The following is a summary of changes in capital assets for the period ended December 31, 2006:

	Balance, December 31, 2005	Additions	Deductions	Balance, December 31, 2006
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated				
Land	<u>\$ 1,683,703</u>	<u>\$225,000</u>	<u>\$ -</u>	<u>\$ 1,908,703</u>
Capital Assets Being Depreciated				
Buildings and other structures	12,948,003	220,061	-	13,168,064
Infrastructure	1,880,959	204,409	-	2,085,368
Vehicles	1,399,234	12,000	(39,676)	1,371,558
Machinery and equipment	2,805,241	53,134	-	2,858,375
Construction in progress	283,859	33,364	(179,114)	138,109
 Total capital assets being depreciated	 <u>19,317,296</u>	<u>522,968</u>	<u>(218,790)</u>	<u>19,621,474</u>
Less accumulated depreciation for:				
Buildings and other structures	4,503,974	441,043	-	4,945,017
Infrastructure	136,712	89,762	-	226,474
Vehicles	1,154,685	67,645	(38,353)	1,183,977
Machinery and equipment	2,255,195	157,496	-	2,412,691
 Total accumulated depreciation	 <u>8,050,566</u>	<u>755,946</u>	<u>(38,353)</u>	<u>8,768,159</u>
Governmental capital assets, net	<u>\$12,950,433</u>	<u>(\$ 7,978)</u>	<u>(\$180,437)</u>	<u>\$12,762,018</u>

City of Crestwood, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2006
(Continued)

C. CAPITAL ASSETS *(Continued)*

Within the statement of activities, depreciation expense is charged to functions of the primary government as follows:

Governmental Activities:	
General government	\$ 83,154
Parks and recreation	340,176
Public works	83,154
Police	136,070
Fire	<u>113,392</u>
 Total Depreciation Expense, Governmental Activities	 <u>\$755,946</u>

D. LONG-TERM DEBT

Long-term debt consists of the following:

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 of each year from 2003 through 2012. Interest rates range from 3.9% to 5%.

\$5,530,000

2006 annual appropriation note of \$2,870,000 with Royal Banks of Missouri used to retire the revolving business and promissory notes, dated November 4, 2005, with Southwest Bank and to pay operating expenses of the City expected to be incurred on and before January 31, 2007. Principal payments from \$210,000 to \$495,000 are due on March 1 with interest payments due on March 1 and September 1 of each year from 2007 through 2013. The note bears an interest rate of 5.44%.

2,870,000

Total Long-Term Debt \$8,400,000

The annual principal and interest requirements to maturity of the Certificates of Participation are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$1,255,000	\$ 363,668	\$1,618,668
2008	1,255,000	328,450	1,583,450
2009	1,320,000	265,333	1,585,333
2010	1,380,000	198,213	1,578,213
2011 – 2013	<u>3,190,000</u>	<u>183,119</u>	<u>3,373,119</u>
	<u>\$8,400,000</u>	<u>\$1,338,783</u>	<u>\$9,738,783</u>

City of Crestwood, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2006
(Continued)

D. LONG-TERM DEBT *(Continued)*

	COP 2001 Series	2006 Note	Total
Balance, December 31, 2005	\$6,315,000	\$ -	\$6,315,000
Additions:	-	2,870,000	2,870,000
Reductions:			
Principal payments	(785,000)	-	(785,000)
Balance	<u>\$5,530,000</u>	<u>\$2,870,000</u>	<u>\$8,400,000</u>
Due within one year	<u>\$ 820,000</u>	<u>\$ 435,000</u>	<u>\$1,255,000</u>

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, Missouri 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 to contribute at an actuarially determined rate; the current rate is 4.4% (general), 11.1% (police) and 10.9% (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 BASIC FINANCIAL STATEMENTS
 December 31, 2006
(Continued)

E. PENSION PLAN *(Continued)*

Annual Pension Cost

For 2006, the City's annual pension cost of \$467,112 was equal to the required and actual contributions. The required contribution was determined as part of the February 29, 2004 and/or February 28, 2005 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2006 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 and division attributable to seniority/merit; (d) pre-retirement mortality based on the RP-2000 Combined Healthy table set back 0 years for men and 0 years for women; and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table 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, 2006 was 15 years. Three-year trend information follows:

<u>Year Ending June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2006	\$467,112	100%	\$0
2005	\$446,181	100%	\$0
2004	\$409,541	100%	\$0

Schedule of funding progress follows:

<u>Actuarial Valuation Year Ending February 28,</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Actuarial Accrued Liability (AAL)</u>	<u>Excess Assets Over AAL</u>
2006	\$13,344,868	\$11,345,258	(\$1,999,610)
2005	\$12,300,933	\$11,484,175	(\$ 816,758)
2004	\$12,544,098	\$11,169,061	(\$1,375,037)

City of Crestwood, Missouri
 NOTES TO BASIC FINANCIAL STATEMENTS
 December 31, 2006
(Continued)

E. PENSION PLAN *(Continued)*

Actuarial Valuation Year Ending <u>February 28,</u>	Funded Ratio	Annual Covered Payroll (ACP)	Excess Assets Over AAL as a Percentage of ACP
2006	118%	\$5,095,748	-
2005	107%	\$5,593,951	-
2004	112%	\$5,384,135	-

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

F. INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities include the following due from/to other funds:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	Park and Stormwater Fund	\$929,088
Capital Improvements Fund	General Fund	331,228
General Fund	Nonmajor Funds	73,010
Special Revenue – Sewer Lateral Fund	General Fund	53,282
Park and Stormwater Fund	Special Revenue – Sewer Lateral Fund	440

The purpose of the interfund balances is to properly reflect the source and use of the funds between the various funds. Balances are not expected to be repaid within one year.

G. INTERFUND TRANSFERS

Transfer From:	Transfer to:					
	General Fund	Park & Stormwater Fund	Capital Improvmt Fund	Series 2001 COPS	Non- Major Funds	Total Transfers
General Fund	-	-	-	-	-	-
Capital Improvments Fund	-	-	-	-	\$90,132	\$ 90,132
Park & Storm- water Fund	-	-	-	\$1,046,265	-	\$1,046,265
Total Transfers	-	-	-	\$1,046,265	\$90,132	\$1,136,397

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006
(Continued)

H. 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.

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. 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. 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 retains a contingent liability to fund its pro rata share of any deficit incurred by the trust should the trust cease operation at some future date. The City's 2006 expenditures for the trust totaled \$250,534 to SLAIT.

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.

I. 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.

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.

City of Crestwood, Missouri
NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2006
(Continued)

J. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, the assets and liabilities of the deferred compensation plan are not included in the accompanying basic financial statements.

K. COMMITMENTS AND CONTINGENCIES

At December 31, 2006, the City had commitments for various projects and services that were encumbered as a reservation of funds and expensed in the current fiscal year.

General Fund	\$ 18,183
Special Revenue	14,115
Capital Improvements Fund	106,315
Park and Stormwater Fund	17,929
Non-major Governmental Funds	<u>3,114</u>
 Total	 <u>\$159,656</u>

Included in accounts payable and accrued liabilities is a liability of 290,000. \$100,000 is payable to a former employee relating to a previous reassignment agreement. \$12,750 is to be paid in 2007 and \$87,250 in 2008. \$190,000 is payable as a result of a settlement providing the City with a certain piece of property. \$35,000 is to be paid in 2007 and \$38,750 to be paid each year from 2008 through 2011.

L. SUBSEQUENT EVENTS

In May of 2006, two settlement agreements and releases were finalized with two parties pursuant to a previous litigation.

**SUPPLEMENTAL
INFORMATION**

CITY OF CRESTWOOD, MISSOURI**Supplemental Information - General Fund****Schedule of Revenues (Unaudited) - Budget and Actual - Budget Basis**

For the Year Ended December 31, 2006

See Independent Auditors' Report)

	Original Budget	Revised Budget	Actual	Over (Under) Budget
REVENUES				
Taxes:				
Property taxes	\$ 962,995	\$ 962,995	\$ 1,793,577	\$ 830,582
Utility taxes	1,364,587	1,364,587	1,417,314	52,727
Sales tax	4,283,833	4,283,833	4,373,201	89,368
Intergovernmental taxes	518,460	518,460	541,014	22,554
Total Taxes	7,129,875	7,129,875	8,125,106	995,231
Licenses, permits, fines and fees:				
Licenses & permits	950,082	950,082	945,649	(4,433)
Charges for services	2,000	2,000	45,043	43,043
Fines and forfeitures	265,892	265,892	307,018	41,126
Grants	-	-	13,000	13,000
Total Licenses, Permits, Fines and Fees	1,217,974	1,217,974	1,310,710	92,736
Investment earnings	7,372	7,372	26,107	18,735
Miscellaneous:				
Other	448,736	68,025	281,741	213,716
Total Miscellaneous	448,736	68,025	281,741	213,716
TOTAL REVENUES	\$ 8,803,957	\$ 8,423,246	\$ 9,743,664	\$ 1,320,418

CITY OF CRESTWOOD, MISSOURI

Supplemental Information - General Fund

Schedule of Expenditures (Unaudited) - Budget and Actual - Budget Basis

for the Year Ended December 31, 2006

See Independent Auditors' Report)

	Original Budget	Revised Budget	Actual	Over (Under) Budget
EXPENDITURES:				
General government:				
Mayor's office:				
Personnel services	\$ 9,073	\$ 9,073	9,048	\$ (25)
Contractual services	6,050	6,050	3,276	(2,774)
Commodities	720	720	389	(331)
Board of Aldermen:				
Personnel services	36,289	36,289	36,195	(94)
Contractual services	1,280	1,280	1,330	50
Commodities	500	500	860	360
City Clerk's office:				
Personnel services	137,793	137,793	138,445	652
Contractual services	36,350	36,350	27,867	(8,483)
Commodities	1,950	1,950	1,357	(593)
Finance department:				
Personnel services	223,747	223,747	187,343	(36,404)
Contractual services	14,300	14,300	11,661	(2,639)
Commodities	4,000	4,000	1,871	(2,129)
City Administrator:				
Personnel services	214,620	214,620	205,986	(8,634)
Contractual services	7,100	7,100	6,814	(286)
Commodities	3,800	3,800	4,080	280
MIS:				
Personnel services	70,523	70,523	70,028	(495)
Contractual services	38,100	38,100	32,657	(5,443)
Commodities	1,000	1,000	11,263	10,263
Economic Development:				
Personnel services	72,982	72,982	71,729	(1,253)
Contractual services	38,645	38,645	41,741	3,096
Commodities	-	-	-	-
General supporting services:				
Personnel services	73,879	73,879	56,710	(17,169)
Contractual services	1,015,914	1,015,914	601,758	(414,156)
Commodities	8,450	8,450	15,947	7,497
Total General Government	2,017,065	2,017,065	1,538,355	(478,710)

CITY OF CRESTWOOD, MISSOURI

Supplemental Information - General Fund Schedule of Expenditures (Unaudited) - Budget and Actual - Budget Basis - Continued

For the Year Ended December 31, 2006
(See Independent Auditors' Report)

	Original Budget	Revised Budget	Actual	Over (Under) Budget
EXPENDITURES (Continued):				
Public works:				
General public works services:				
Personnel services	\$ 104,750	\$ 104,750	\$ 104,932	\$ 182
Contractual services	194,550	194,550	197,306	2,756
Commodities	9,500	9,500	8,813	(687)
Capital outlay				
Administration services:				
Personnel services	294,484	294,484	218,726	(75,758)
Contractual services	19,700	19,700	14,600	(5,100)
Commodities	4,400	4,400	3,885	(515)
Capital outlay				
Maintenance services:				
Personnel services	318,851	318,851	166,262	(152,589)
Contractual services	49,060	49,060	38,904	(10,156)
Commodities	55,650	55,650	53,124	(2,526)
Capital outlay				
Mechanical services:				
Personnel services	64,616	64,616	26,926	(37,690)
Contractual services	940	940	118	(822)
Commodities	3,000	3,000	1,858	(1,142)
Total Public Works	1,119,501	1,119,501	835,454	(284,047)
Public safety:				
Police:				
Personnel services	2,883,064	2,763,064	2,628,714	(134,350)
Contractual services	181,430	181,430	196,837	15,407
Commodities	73,900	73,900	91,625	17,725
Capital outlay				
Municipal court:				
Personnel services	74,679	74,679	71,301	(3,378)
Contractual services	14,840	14,840	10,127	(4,713)
Commodities	250	250	597	347
Total Police and Municipal Court	3,228,163	3,108,163	2,999,201	(108,962)
Fire:				
Personnel services	2,206,625	2,206,625	2,224,098	17,473
Contractual services	395,735	395,735	386,880	(8,855)
Commodities	41,548	41,548	33,866	(7,682)
Capital Outlay				
Total Fire	2,643,908	2,643,908	2,644,844	936
Total Public Safety	5,872,071	5,752,071	5,644,045	(108,026)
TOTAL EXPENDITURES	\$ 9,008,637	\$ 8,888,637	\$ 8,017,854	\$ (870,783)

Supplemental Information - Capital Improvement & Park and Stormwater Funds
Schedule of Revenues and Expenditures (Unaudited) - Budget to Actual - Budget Basis
For the Year Ended December 31, 2006
(See Independent Auditors' Report)

REVENUES	CAPITAL IMPROVEMENT FUND			PARK AND STORMWATER FUND		
	Original Budget	Revised Budget	Actual	Over (Under) Budget	Original Budget	Revised Budget
Taxes	\$ 1,446,185	\$ 1,446,185	\$ 1,434,782	\$ (11,403)	\$ 1,674,036	\$ 1,638,440
Aquatic Center	-	-	-	-	343,646	361,702
Community Center	-	-	-	-	55,360	47,317
Recreation Programs	-	-	-	-	257,120	223,200
Historic Facility	-	-	-	-	2,909	1,252
Investment Income	-	-	-	-	1,032	14,813
Grants	1,377	1,377	17,970	16,593	(128,259)	(31,781)
Miscellaneous	152,000	152,000	23,741	12,265	219,000	219,193
Total Revenues	1,599,562	1,599,562	1,468,758	(110,804)	2,553,603	2,513,505
						<i>(40,098)</i>
EXPENDITURES AND USES OF FUNDS						
Public works:						
General public works services:						
Contractual services	-	-	-	-	-	-
Economic Development:						
Contractual services	-	-	-	-	-	-
Street maintenance services:						
Contractual services	7,500	7,500	14,888	7,388	-	-
Commodities	208,000	208,000	322,822	114,822	19,300	19,300
Capital outlay	154,800	154,800	90,999	(63,801)	-	-
Police Department:	56,668	56,668	184,279	127,611	-	-
Contractual services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Parks maintenance services:						
Personnel services	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
MIS services:	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Public Works	94,000	94,000	39,687	39,687	297,076	293,161
						<i>(3,915)</i>
Parks and recreation:						
Recreation Services:						
Personnel services	-	-	-	-	501,676	459,542
Contractual services	-	-	-	-	220,250	185,679
Commodities	-	-	-	-	59,025	29,887
Capital outlay	-	-	-	-	-	40,948
Aquatic Center:	-	-	-	-	-	-
Personnel services	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Historic Facilities	-	-	-	-	-	-
Personnel services	-	-	-	-	-	-
Contractual services	-	-	-	-	-	-
Commodities	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Parks and Recreation	-	-	-	-	1,428,011	1,128,011
						<i>(104,346)</i>
Total Expenditures	1,133,679	552,968	632,869	129,901	1,425,087	1,316,836
REVENUES OVER/(UNDER) EXPENDITURES	\$ 465,983	\$ 1,046,594	\$ 805,899	\$ (240,705)	\$ 1,328,516	\$ 1,196,669
						<i>\$ 63,153</i>



STATISTICAL SECTION

Table 1

CITY OF CRESTWOOD, MISSOURI

Government-wide Expenses by Function

Fiscal Year 2006

Function	2006
General Government	\$ 1,824,822
Parks and Recreation	\$ 1,000,426
Public Safety-Police	\$ 2,920,122
Public Safety-Fire	\$ 2,647,980
Municipal Court	\$ 82,026
Public Works	\$ 1,757,160
Interest and Fiscal Charges	\$ 1,065,484
Total Expenses	<u>\$ 11,298,020</u>

Table 2

CITY OF CRESTWOOD, MISSOURI

Government-wide Revenues by Function
Fiscal Year 2006

Source	2006
Program Revenues:	
Charges for Services	\$ 819,730
Operating Grants and Contributions	17,120
Capital Grants and Contributions	238,814
General Revenues:	
Taxes	11,198,328
Investment Earnings	127,359
Licenses and Permits	945,649
Fines and Forfeitures	307,018
Other	371,139
Total Revenues	<u>\$ 14,025,157</u>

CITY OF CRESTWOOD, MISSOURI

General Government Expenditures by Function (1) Last Ten Fiscal Years

Table 3

Fiscal Year	General Services	Public Works	Police and Municipal Court	Fire	Parks and Recreation	Capital Outlay	Debt Service	Total
1997	764,636	4,323,951	2,137,688	1,853,045	1,295,293	554,369	60,012	10,988,994
1998	764,568	3,105,373	2,333,196	1,798,668	1,318,576	836,302	89,262	10,245,945
1999	976,775	3,106,597	2,493,069	2,159,286	1,388,148	567,520	203,226	10,894,621
2000	1,083,719	2,614,379	2,569,410	2,290,262	1,447,677	305,885	187,255	10,498,587
2001	1,168,299	2,430,537	2,707,329	2,336,321	1,489,558	676,282	157,289	10,965,615
2002	1,110,359	2,545,627	2,985,332	2,456,971	1,862,546	7,679,733	455,853	19,096,421
2003	1,490,688	1,907,133	3,221,028	2,619,940	1,921,809	1,790,790	1,271,517	14,222,905
2004	1,684,989	1,878,861	3,262,356	2,712,028	1,297,042	338,132	1,815,455	12,988,863
2005	1,913,171	1,474,013	3,152,012	2,707,164	1,443,514	778,278	11,009,924	22,478,076
2006	1,824,822	1,413,305	3,002,148	2,647,980	1,000,426	343,855	1,065,484	11,298,020

(1) Includes all governmental Fund types beginning in 1995.

Table 4**CITY OF CRESTWOOD, MISSOURI****General Government Revenues by Source (1)**

Last Ten Fiscal Years

Fiscal Year	Municipal Taxes	Licenses, Permits, Fines and Fees	Investment Income, Recreation Programs, Intergovernmental and Miscellaneous	Total
1997	7,605,330	993,012	725,265	9,323,607
1998	7,869,178	1,004,945	611,540	9,485,663
1999	8,573,527	1,010,023	561,229	10,144,779
2000	(1) 8,499,495	1,100,609	609,089	10,209,193
2001	9,346,936	1,098,365	852,042	11,297,343
2002	10,607,915	1,243,801	1,066,153	12,917,869
2003	10,443,277	1,179,316	812,247	12,434,840
2004	(2) 6,933,953	1,182,698	642,733	8,759,384
2005	7,132,992	1,098,831	108,247	8,340,070
2006	(3) 10,657,314	1,252,667	2,115,176	14,025,157

- (1) During 2001, the City began recognizing revenue relating to a new 1/2 cent parks and stormwater tax authorized by the voters in fiscal year 2000.
- (2) During 2004, the City began recognizing revenue relating to a new 1/4 cent fire protection tax authorized by the voters in fiscal year 2003.
- (3) During 2006, the City began recognizing revenue relating to a new 20 cent property tax (Prop S) authorized by the voters in fiscal year 2006.

CITY OF CRESTWOOD, MISSOURI

Tax Revenues By Source
Last Ten Fiscal Years

Table 5

Fiscal Year	Property Taxes	Utility Taxes	Sales Tax	Cigarette Tax	County Road Refund	Financial Institution Tax	Total	
1997	425,656	1,022,792	5,503,604	50,265	602,076	937	7,605,330	
1998	452,422	1,073,245	5,637,610	52,321	652,918	662	7,869,178	
1999	625,088	1,181,350	5,984,437	57,332	719,552	5,768	8,573,527	
2000	(1)	673,944	1,054,863	5,960,688	58,441	747,229	4,330	8,499,495
2001		679,790	1,239,461	6,613,771	54,719	754,392	4,803	9,346,936
2002		720,243	1,119,612	7,976,831	49,347	739,866	2,016	10,607,915
2003		730,415	1,131,671	7,811,532	45,275	718,390	5,994	10,443,277
2004	(2)	715,629	1,283,753	7,628,321	44,628	746,416	3,234	10,421,981
2005		597,576	1,319,761	4,459,402	42,161	714,092	-	7,132,992
2006	(3)	1,465,832	1,417,314	7,446,423	41,857	826,568	334	11,198,328

- (1) During 2001, the City began recognizing revenue relating to a new 1/2 cent park and stormwater sales tax authorized by the voters in fiscal year 2000.
- (2) During 2004, the City began recognizing revenue relating to a new 1/4 cent fire protection tax authorized by the voters in fiscal year 2003.
- (3) During 2006, the City began recognizing revenue relating to a new 20 cent property tax (Prop S) authorized by the voters in fiscal year 2006.

CITY OF CRESTWOOD, MISSOURI**Property Tax Levies and Collections**
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy*	Current Tax Collections
1997	414,246	404,708
1998	444,105	433,204
1999	502,110	489,106
2000	534,361	512,826
2001	567,892	522,450
2002	574,486	537,372
2003	614,250	579,182
2004 ¹	616,438	585,616
2005	679,937	362,721
2006	1,230,209	656,645

* Represents preceding calendar year levy collectible in current fiscal year. Taxes are collected by the St. Louis County Collector and remitted to the City. A fee of 1 1/2% is charged by the St. Louis County Collector for tax collections. It is the responsibility of St. Louis County to take the necessary legal action to enforce collection, including, if necessary, the sale of property.

(1) As of February 8th, the County could not provide an actual tax levy, therefore, the Total Tax Levy was calculated based upon the assessed valuation. In addition, current tax collections were based upon the historic 95% rate of collection.

Source of Data:

St. Louis County Collector

Table 7**CITY OF CRESTWOOD, MISSOURI****Assessed and Estimated Actual Value of Taxable Property**

Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public Utilities	Totals	
				Total Property	Estimated Actual Value
1997	148,871,502	28,354,558	3,729,370	180,955,430	745,500,418
1998	167,841,980	31,722,860	4,550,789	204,115,629	874,037,121
1999	174,123,180	32,903,689	4,621,180	211,648,049	894,961,245
2000	175,022,789	34,192,831	5,341,611	214,557,231	906,224,528
2001	176,665,442	35,052,766	5,343,052	217,061,260	993,195,541
2002	193,653,325	35,854,675	5,751,624	235,259,624	1,000,422,880
2003	208,181,290	34,763,380	2,983,133	245,927,803	1,050,401,352
2004 (1)	209,978,000	33,428,370	3,168,836	246,575,206	1,054,516,520
2005	233,741,770	34,028,510	3,271,364	271,041,644	1,164,656,339
2006	235,609,310	34,288,340	3,169,777	273,067,427	1,180,396,339

Assessed valuations have been adjusted to reflect additions and strike-offs subsequent to January 1. Property assessments are determined by the St. Louis County Assessor as of January 1. Taxes levied become due and payable on November 1 and delinquent after December 31. Interest and penalties for delinquent taxes are as follows:

1% interest per month or any portion thereof, not to exceed 10% per year.

2% penalty on face amount of tax bill, including the cumulative interest charges.

Prior to 1985, all property was assessed at one-third of estimated value at time of assessment. The increase in assessed value beginning in fiscal year 1986 reflects the general reassessment in St. Louis County performed as of January 1, 1985 and every other year thereafter. Residential real property is assessed at 19% of actual value; commercial and utility real property at 32% of actual value. All personal property is assessed at 33-1/3% of actual value.

(1) As of February 8th, the County could not provide the estimated actual value, therefore, the estimated actual value was calculated based upon the assessed valuation, and the percent that the real property is assessed.

Source of Data:

St. Louis County Assessor

CITY OF CRESTWOOD, MISSOURI

Property Tax Rates Per \$100 Assessed Valuation - Direct and All Overlapping Governments
Last Ten Fiscal Years

Table 8

	1998	1999	2000	2001	2002	2003	2004	2005	2006 ¹
Taxes levied on all property in the City of Crestwood, Missouri									
0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.24	0.46	0.00
Overlapping governments:									
St. Louis County	0.58	0.58	0.58	0.58	0.58	0.58	0.56	0.56	0.56
State of Missouri	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Special School District	0.64	0.64	0.64	0.62	0.85	0.83	0.84	0.82	0.82
Junior College District	0.24	0.24	0.24	0.24	0.23	0.23	0.22	0.22	0.22
St. Louis County Library	0.14	0.14	0.14	0.14	0.14	0.14	0.15	0.15	0.15
Metropolitan Sewer District - General	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Metropolitan Sewer District - Gravois Creek	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Mississippi River Antipollution District	0.02	0.02	0.02	0	0	0.00	0	0.00	0.00
Metropolitan Zoological Park and Museum District	0.23	0.23	0.23	0.22	0.23	0.23	0.27	0.26	0.26
Sheltered Workshop	0.09	0.09	0.09	0.09	0.09	0.09	0.08	0.08	0.09
Total	2.10	2.10	2.08	2.27	2.25	2.26	2.28	2.26	2.26
School Districts (1):									
Lindbergh R-8 School District	2.69	2.69	2.68	2.77	2.90	2.90	3.17	3.13	3.17
Total Overlapping Governments	4.79	4.79	4.79	4.76	5.04	5.16	5.45	5.39	5.43
Total City and Overlapping Governments	5.04	5.04	5.04	5.01	5.29	5.41	5.41	5.69	5.83

(1) Beginning in 2003 a taxing entity could levy a different property tax rate for Residential, Commercial, Agriculture and Personal Property

Source of Data:
St. Louis County Assessor

CITY OF CRESTWOOD, MISSOURI

Table 9

Computation of Legal Debt Margin

December 31, 2006

Net assessed value of the City of Crestwood (January 1, 2006)	<u>\$273,067,427</u>
Debt limit - 10% of assessed value*	\$ 27,306,743
Amount of debt applicable to debt limit - total bonded debt	<u> </u>
Legal debt margin	\$ 27,306,743

- * Under Article VI, Sections 26(b) and 26(c) of the Constitution, the City, by vote of 2/3 of the qualified electors thereof voting thereon, may incur general obligation bonded indebtedness for City purposes in an amount not to exceed 10% of the assessed valuation of taxable tangible property within the City as ascertained by the last completed assessment for state or county purposes. Under Section 26(d) of said Article VI, the City may incur general obligation indebtedness not exceeding in the aggregate an additional 10% of the aforesaid assessed valuation "for the purpose of acquiring rights-of-way, constructing, extending and improving the streets and avenues and acquiring rights-of-way, constructing and improving sanitary or storm sewer systems" and under Section 26(e) of said Article VI, additional general obligation indebtedness may be incurred for "purchasing or constructing waterworks, electric or other light plants to be owned exclusively by the City, provided that the total general obligation indebtedness of the City shall not exceed 20% of the assessed valuation."

Table 10

CITY OF CRESTWOOD, MISSOURI

Computation of Direct and Overlapping Debt

December 31, 2006

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Crestwood	Amount Applicable to the City of Crestwood
City of Crestwood	\$ -	100 %	\$ -
St. Louis County	88,615,000	0	1,151,995
Lindbergh R-8 School District	40,042,802	0	9,490,144
Total Direct and Overlapping Debt			<u>\$ 10,642,139</u>

Source of Data:

The above-named jurisdiction

Table 11**CITY OF CRESTWOOD, MISSOURI****Construction and Bank Deposits**

Last Ten Calendar Years

Calendar Year	New Construction		Alterations/Additions		
	Number of Permits Issued	Value of Construction	Number of Permits Issued	Value of Construction	Bank Deposits
1996	3	124,000	107	4,757,267	216,675,381
1997	8	1,885,000	104	2,649,217	212,188,294
1998	14	1,053,800	119	5,398,951	221,554,835
1999	5	729,000	69	2,084,439	233,518,736
2000	6	866,900	123	4,587,526	239,155,785
2001	10	1,204,400	127	4,438,381	232,422,358
2002	11	1,794,000	135	5,283,781	308,081,000 (1)
2003	31	7,985,582	155	4,791,203	361,542,915 (2)
2004	8	2,690,000	165	7,080,942	470,783,000 (3)
2005	17	3,074,900	142	4,943,138	485,082,000 (4)
2006	10	13,225,000	120	3,829,253	561,930,000 (5)

Source of Data:

New Construction - The City's Public Works Department

Bank Deposits for 2004- FDIC website

- (1) Represents Commerce Bank, Allegiant Bank, Southwest Bank.
Data for branch facilities of other financial institutions located in the City are not available
- (2) Represents First Service, Montgomery, Southwest Bank, Commerce Bank, Allegiant Bank, Keystone Bank
- (3) Represents Allegiant Bank, Bank of America, Commerce Bank, First Service, Keystone Bank, Montgomery, First Bank, Southwest Bank, U.S. Bank National
- (4) Represents Bank of America, Commerce Bank, First Service Bank, Southwest Bank, U. S. Bank National
- (5) Represents Bank of America, Commerce Bank, First Service Bank, Southwest Bank, Truman Bank, . S. Bank National

Table 12**CITY OF CRESTWOOD, MISSOURI****Schedule of Insurance in Force**

December 31, 2006

Type of Coverage and Name of Company	Policy Number	Policy Period	Detail of Coverage	Liability Limits	Annual Premium
Property Policy:					
Chubb Group of Insurance Companies	3583-42-15	07/01/2006-2007		90% coinsurance: \$ 9,076,173	\$ 44,018
			Building	\$ 9,076,173	
			Personal property	\$ 669,331	
			Loss of income	100% coinsurance: \$ 90,000	
			Inland marine schedule:		
			Contractor's equipment	\$ 332,594	
			Emergency equipment	\$ 95,460	
			Miscellaneous property	\$ 64,580	
			Radios and cameras	\$ 111,192	
			Valuable papers	\$ 25,000	
			Fine arts	\$ 139,341	
			Boiler machinery	\$ 600,000	
			Comprehensive crime	Depositor's forgery: \$ 100,000	
			Business auto	Owned autos, actual cash value/ cost of repair:	
				Comprehensive - \$1,000 deductible	
				Collision - \$1,000 deductible	
Earthquake Insurance:					
Chubb Group of Insurance Companies	1MP162360601	07/01/2006-2007	Earthquake	\$5,000,00 \$50,000 deductible	\$ 8,298
General Liability:					
SLAIT - St. Louis Area Insurance Trust	GL004-03	07/01/2006-2007	Products/completed operations	\$2,000,000	\$ 77,954
			Bodily injury and property damage	\$2,000,000 \$500 deductible	
			Personal injury and advertising injury	\$2,000,000 \$500 deductible	
			Included operations:		
			Emergency medical treatment		
			Law enforcement activities		
			Employee benefits		
	AL004-03	07/01/2006-2007	Auto liability	\$2,000,000	
			Auto medical payments	\$250	
			Uninsured motorists	\$100,000	
			Underinsured motorists	\$100,000	

Table 12 - Continued

CITY OF CRESTWOOD, MISSOURI

Schedule of Insurance in Force - Continued

December 31, 2006

Type of Coverage and Name of Company	Policy Number	Policy Period	Detail of Coverage	Liability Limits	Annual Premium
Public Officials Liability:					
Westchester Surplus Lines, Ins	23613426001	07/01/2006-2007	Director's and Officers Liability	\$2,000,000 \$10,000 Deductible	\$ 14,711
Workers' Compensation:					
SLAIT - St. Louis Area Insurance Trust	2006005	07/01/2006-2007	Workers' compensation and employer's liability	\$1,000,000	\$ 172,580
Public Employee Blanket Bond:					
St. Paul Travelers	406CG9595	09/01/2006-2007	Commercial crime Public employee dishonesty	\$100,000 \$250 deductible	\$ 1,052
Public Official Surety Bonds:					
Capitol Indemnity	908456 PO 796188	09/01/2006-2007	City clerk	\$50,000	\$ 150

Source of Data:

City's insurance policies

CITY OF CRESTWOOD, MISSOURI

Salaries and Surety Bonds of Principal Officials

December 31, 2006

Name and Title of Official	Annual Salary	Amount of Blanket Surety Bond	Amount of Public Official Surety Bond
Frank L. Myers, City Administrator	\$ 85,000	\$ 100,000	\$ -
Karl Kestler, Fire Chief	80,226	100,000	-
James Eckrich, Director of Public Works	84,534	100,000	-
Kim Cottle, City Clerk	52,478	100,000	50,000
Patricia Hanes, Code Enforcement Officer	36,712	-	10,000

Source of Data:

City's insurance policies

Table 14**CITY OF CRESTWOOD, MISSOURI****U.S. Census Data - 2000 Census**

	<u>Number</u>	<u>Percent</u>
Crestwood Population	11,863	100.00%
<u>Sex and Age</u>		
Male	5,580	47.04%
Female	6,283	52.96%
Under 5 years	533	4.49%
5 to 9 years	673	5.67%
10 to 14 years	700	5.9%
15 to 19 years	680	5.73%
20 to 24 years	483	4.07%
25 to 34 years	1,131	9.53%
35 to 44 years	1,751	14.76%
45 to 54 years	1,641	13.83%
55 to 59 years	666	5.61%
60 to 64 years	658	5.55%
65 to 74 years	1,631	13.75%
75 to 84 years	1,112	9.37%
85 years and over	204	1.72%
Median age (years)	44.9	
18 years and over		
Male	9,493	80.02%
Female	4,371	36.85%
21 years and over	5,122	43.18%
62 years and over	9,182	77.4%
65 years and over	3,351	28.25%
Male	2,947	24.84%
Female	1,274	10.74%
	1,673	14.1%
<u>Race</u>		
One race	11,749	99.04%
White	11,437	96.41%
Black or African American	85	0.72%
American Indian and Alaska Native	23	0.19%
Asian	172	1.45%
Asian Indian	34	0.29%
Chinese	34	0.29%
Filipino	9	0.08%
Japanese	11	0.09%
Korean	17	0.14%
Vietnamese	39	0.33%
Other Asian	28	0.24%

Table 14 - Continued**CITY OF CRESTWOOD, MISSOURI****U.S. Census Data - 2000 Census - Continued**

	Number	Percent
<u>Race (continued)</u>		
Native Hawaiian and Other Pacific Islander	1	0.01%
Native Hawaiian	0	0%
Guamanian or Chamorro	0	0%
Samoan	0	0%
Other Pacific Islander	1	0.01%
Some other race	31	0.26%
Two or more races	114	3.0%
<u>Hispanic or Latino and race</u>		
Total Population	11,863	100.00%
Hispanic or Latino (of any race)	119	1%
Mexican	51	0.43%
Puerto Rican	2	0.02%
Cuban	9	0.08%
Other Hispanic or Latino	57	0.48%
Not Hispanic or Latino	11,744	99%
White alone	11,356	95.73%
<u>Relationship</u>		
Total Population	11,863	100.00%
In households	11,846	99.86%
Householder	5,111	43.08%
Spouse	2,954	24.90%
Child	3,189	26.88%
Own child under 18 years	2,246	18.93%
Other relatives	315	2.66%
Under 18 years	104	0.88%
Nonrelatives	277	2.33%
Unmarried partner	141	1.19%
In group quarters	17	3.6%
Institutionalized population	0	0%
Noninstitutionalized population	17	0.14%
<u>Households by Type</u>		
Total Households	5,111	100.00%
Family households (families)	3,520	68.87%
With own children under 18 years	1,228	24.03%

Table 14 - Continued

CITY OF CRESTWOOD, MISSOURI

U.S. Census Data - 2000 Census - Continued

	<u>Number</u>	<u>Percent</u>
Married-couple family	2,954	57.8%
With own children under 18 years	997	19.51%
Female householder, no husband present	445	8.71%
With own children under 18 years	189	3.70%
NonFamily households	1,591	36.80%
Householder living alone	1,408	27.55%
Householder 65 years and over	763	14.93%
Households with individuals under 18 years	1,302	25.47%
Households with individuals 65 years and over	2,053	40.17%
Average Household size	2.32	
Average family size	2.83	

Housing Occupancy

Total housing units	5,214	100.00%
Occupied housing units	5,111	98.02%
Vacant housing units	103	1.98%
For seasonal, recreational, or occasional use	13	0.25%
Homeowner vacancy rate (percent)	0.6	
Rental vacancy rate (percent)	2.6	

Housing Tenure

Occupied housing units	5111	100.00%
Owner-occupied housing units	4659	91.16%
Renter-occupied housing units	452	8.84%
Average household size of owner-occupied units	2.35	
Average household size of renter-occupied units	2.01	

CITY OF CRESTWOOD, MISSOURI**Miscellaneous Statistical Data**

December 31, 2006

Date of incorporation as village	November 12, 1947
Date of incorporation as fourth-class city	July 3, 1949
Form of government	Mayor/Aldermen/City Administrator
Area	3.75 square miles
Miles of street	50
Miles of sidewalks	13
Number of street lights (provided by City)	406
Fire protection:	
Number of stations	1
Number of employees (includes 9 paramedics)	27
Fire hydrants	339
Vehicles:	
Pumpers	2
Rescue truck	1
Police protection:	
Number of employees:	
Commissioned officers	29
Other full-time employees	6
School-crossing guards	2
Police station	1
Parks and recreation:	
Acres of parks	119
Number of parks	7
Park facilities:	
One community center containing regulation-size gym and two racquetball courts	
Aquatic Center	
Three pavilions	
Ten playgrounds	
One swimming pool	
Nine tennis courts	
Five ball diamonds	
Three soccer fields	
Employees, full-time	99
Employees, part-time	18
Population:	
1950	1,645
1960	11,106
1970	15,123
1980	12,815
1990	11,229
2000	11,863

CITY OF CRESTWOOD, MISSOURI**Miscellaneous Statistical Data - Continued**

December 31, 2006

Number of households:

1970	4,060
1980	4,562
1990	4,508
1998	5,207

Per capita income:

1970	\$ 3,991
1980	10,137
1990	13,827
2000	26,793

Number of registered voters	8,888
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Principal taxpayers:

		Assessed Valuation	Percentage of Total Assessed Valuation
Best Buy	Retail/general	\$ 1,128,100	0.46%
Big Bend Crossing	Retail/general	2,412,000	0.98%
Fairway Square	Shopping center	1,789,250	0.73%
WEA Crestwood Plaza	Shopping center	28,765,700	11.67%
Crestwood Square	Shopping center	1,621,440	0.66%
Dillard's	Department store	*	
Macy's	Department store	*	
Laclede Gas Company	Utility		0.00%
Schnuck's	Grocery	1,953,190	0.79%
Sears, Roebuck and Company	Department store	*	
Shop N Save	Grocery	34,260	
Missouri American Water Company	Utility		0.00%
Value City	Retail/general	1,094,820	0.44%
Watson Plaza	Shopping center	3,983,750	1.62%

* Included in the Crestwood Plaza assessed valuation

Source of Data

The City's Departments of Public Works, Parks, Finance, Police and Fire, the U.S. Census Bureau, and St. Louis County Government.

