

CITY OF SAVANNAH, MISSOURI
BASIC FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2008

AND INDEPENDENT AUDITOR'S REPORTS

City of Savannah, Missouri
September 30, 2008

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City of Savannah, Missouri
September 30, 2008

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Independent Auditors' Report

The Honorable Mayor and
Members of the Board of Aldermen
City of Savannah, Missouri 64485

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Savannah, Missouri, as of and for the year ended September 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Savannah, Missouri's, management. My responsibility is to express an opinion on these basic financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic 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. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Savannah, Missouri, as of September 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Independent Auditors' Report
(Concluded)**

In accordance with Government Auditing Standards, I have also issued my report dated January 9, 2009 on my consideration of the City of Savannah's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 to 7 and 36 to 39 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Savannah, Missouri's basic financial statements. The accompanying supplementary information presented on pages 40 to 56 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kevin G. Hudson, C.P.A.

Kevin G. Hudson, C.P.A.
Certified Public Accountant
January 9, 2009

**Independent Auditors' Report
(Concluded)**

In accordance with Government Auditing Standards, I have also issued my report dated January 9, 2009 on my consideration of the City of Savannah's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 to 8 and 37 to 40 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Savannah, Missouri's basic financial statements. The accompanying supplementary information presented on pages 40 to 58 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kevin G. Hudson, C.P.A.

Kevin G. Hudson, C.P.A.
Certified Public Accountant
January 9, 2009

**City of Savannah, Missouri
Management's Discussion and Analysis
For the Year Ended September 30, 2008
(Unaudited)**

The discussion and analysis of the City of Savannah, Missouri's financial performance provides an overview of the cities financial activities for the fiscal year ended September 30, 2008. Please read it in conjunction with the cities financial statements, and other supplemental information, which immediately follow this section.

Financial Highlights

Key financial highlights for 2008 are as follows:

- The cities total net assets are \$3,691,638 as compared to \$7,077,323 in the prior year. This decrease is due to the construction of the water treatment plant. The Governmental Activities net assets are \$1,655,416 as compared to \$1,363,822 in the prior year and the proprietary funds net assets were \$2,036,222 as compared to \$5,713,501 in the prior year.
- Total revenues of the governmental funds were \$2,106,820, for a increase of \$242,778 or 13.02% over the prior years revenues of \$1,864,042.
- Total revenues of the proprietary funds were \$2,546,967 for an decrease of \$6,012,200 over prior year total revenues of \$3,465,233. This decrease is due to the bond proceeds received for the construction of the water treatment plant in the prior year.
- Expenditures for the cities governmental funds of \$2,469,826, increased \$638,383, or 34.86% over the prior year expenditures of \$1,831,443.
- Expenditures for the cities proprietary funds of \$2,685,627, increased \$306,193 or 12.87% over the prior year expenditures of \$2,379,434.

Overview of the Financial Statements

This annual report consists of four parts: managements' discussion and analysis (this section), the basic financial statements, required supplementary information and supplemental information. The basic financial statements include two kinds of statements that present different views of the city.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Cities overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City, reporting the Cities operations in more detail than the government-wide statements.

City of Savannah, Missouri
Management's Discussion and Analysis (Continued)
For the Year Ended September 30, 2008
(Unaudited)

Overview of the Financial Statements (Concluded)

- The governmental funds statements tell how basic services such as public safety, streets and general administration were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Cities budget for the year.

Government-wide statements

The government-wide statements report information about the city as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt).

The two government-wide statements report the Cities net assets and how they have changed. Net assets - the difference between the Cities assets and liabilities- is one way to measure the Cities financial health or financial position.

- Over time, increases or decreases in the cities net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the cities overall health, you need to consider additional non-financial factors such as changes in the cities property tax base and the condition of the cities infrastructure and other facilities.

In the statement of net assets and the statement of activities all activities of the City have been classified as governmental. The major activities are described as follows:

Governmental activities: All of the Cities basic services are reported in this category, including the general government, public safety, streets and parks and recreation. Property and sales taxes, user fees, interest income, franchise fees, and state and federal grants finance these activities.

City of Savannah, Missouri
Management's Discussion and Analysis (Continued)
For the Year Ended September 30, 2008
(Unaudited)

Fund Financial Statements

The fund financial statements provide more detailed information about the cities funds, focusing on its most significant or "major" funds - not the city as a whole. Some funds are required to be established by State law. However, the city council establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or other money.

The City has two kinds of funds:

- **Governmental Funds:** All of the Cities basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Cities programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Proprietary Funds:** The City maintains several different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Savannah uses enterprise funds to account for its Water, Sewer, Sanitation and Golf Course. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water, Sewer, Sanitation and Golf Course operations, which are considered to be major funds of the City of Savannah.

The Proprietary Fund financial statements can be found in the Basic Financial Statements section of this report.

City of Savannah, Missouri
Management's Discussion and Analysis (Concluded)
For the Year Ended September 30, 2008
(Unaudited)

Financial Analysis of the City as a Whole

The increase in debt for the governmental activities between the two years is due to the certificates of participation that the city incurred for the development of the new sports complex. The increase in capital assets for governmental activities is related to the capitalization of the sports complex.

At the end of fiscal year 2006-2007 the city had bond proceeds for the construction of the new water plant that were not yet expended. This year that money was expended causing the total assets and restricted assets for the business type activities to decrease this year.

The restricted net asset figures are for the repayment of bonded debt.

2006-2007
Statement of Net Assets

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Current and other assets	\$ 956,945	\$11,062,615
Capital assets	<u>4,374,894</u>	<u>6,630,277</u>
Total assets	<u>\$ 5,331,839</u>	<u>\$17,692,892</u>
Lease payable	-	483,673
Bond payable	3,180,000	11,283,750
Other liabilities	<u>699</u>	<u>211,968</u>
Total liabilities	<u>3,180,699</u>	<u>11,979,391</u>
Net assets:		
Contributed Capital	-	365,000
Restricted	-	10,103,482
Unrestricted	<u>2,151,140</u>	<u>(4,754,981)</u>
Total net assets	<u>\$ 2,151,140</u>	<u>\$ 5,713,501</u>

2007-2008
Statement of Net Assets

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Current and other assets	\$ 921,159	\$ 2,375,204
Capital assets	<u>4,679,912</u>	<u>11,318,820</u>
Total assets	<u>\$ 5,601,071</u>	<u>\$13,694,024</u>
Lease payable	-	456,916
Bond payable	3,945,000	10,865,165
Other liabilities	<u>655</u>	<u>335,721</u>
Total liabilities	<u>3,945,655</u>	<u>11,657,802</u>
Net assets:		
Contributed Capital	-	365,000
Restricted	-	1,680,692
Unrestricted	<u>1,655,416</u>	<u>(9,470)</u>
Total net assets	<u>\$ 5,601,071</u>	<u>\$ 2,036,222</u>

City of Savannah, Missouri
Management's Discussion and Analysis (Concluded)
For the Year Ended September 30, 2008
(Unaudited)

Statement of Activities

The following tables reflect the revenues and expenses for the cities activities for the years ended September 30, 2008 and September 30, 2007.

2006-2007
City of Savannah's Statement of Activities

	<u>Revenues</u>	<u>Expenditures</u>
General	\$ 588,757	\$ 901,146
Special Revenue	1,210,327	873,117
Debt Service	64,958	57,180
Water	950,179	556,057
Sewer	655,044	329,608
Sanitation	211,863	193,587
Golf Course	536,589	554,934
Total	<u>\$ 4,217,717</u>	<u>\$ 3,465,629</u>

2007-2008
City of Savannah's Statement of Activities

	<u>Revenues</u>	<u>Expenditures</u>
General	\$ 814,073	\$ 1,018,210
Special Revenue	1,220,062	1,390,779
Debt Service	72,685	60,837
Water	1,013,335	574,335
Sewer	583,840	383,416
Sanitation	224,713	197,762
Golf Course	511,384	519,317
Total	<u>\$ 4,440,092</u>	<u>\$ 4,144,656</u>

Revenues for the water, sewer, sanitation fund are based on actual water, sewer and sanitation services used. The amount of usage fluctuates with the weather each year. Revenues for one department are not used towards expenses in another department.

City of Savannah, Missouri
Management's Discussion and Analysis (Concluded)
For the Year Ended September 30, 2008

2006-2007
Combined Statement of Revenues and Expenditures

	<u>Governmental Activities</u>	<u>Proprietary Funds</u>
Revenues	\$ 1,864,042	\$ 6,012,200
Expenditures	<u>1,831,443</u>	<u>2,379,434</u>
Excess of (deficiency) of revenues over (under) expenditures	32,599	3,632,766
Transfers	353,200	(320,048)
Fund balance, October 1, 2006	<u>570,447</u>	<u>2,400,783</u>
Fund balance, September 30, 2007	<u>\$ 956,246</u>	<u>\$ 5,713,501</u>

2007-2008
Combined Statement of Revenues and Expenditures

	<u>Governmental Activities</u>	<u>Proprietary Funds</u>
Revenues	\$ 2,106,820	\$ 2,546,967
Expenditures	<u>2,469,826</u>	<u>2,685,627</u>
Excess of (deficiency) of revenues over (under) expenditures	(363,006)	(138,660)
Transfers	327,300	(293,467)
Fund balance, October 1, 2007	<u>956,210</u>	<u>2,468,349</u>
Fund balance, September 30, 2008	<u>\$ 920,504</u>	<u>\$ 2,036,222</u>

The governmental activities consist of the general, special revenue and debt service funds. The proprietary funds consist of the water, sewer, sanitation and golf course funds.

Financial Contact

The cities financial statements are designed to present users with a general overview of the cities finances and to demonstrate the cities accountability. Any questions regarding the report or to request additional information should be directed to Beth Kar, City Clerk, City Hall, Savannah, Missouri 64485.

City of Savannah, Missouri
Statement of Net Assets
For the Year Ended September 30, 2008

	<u>Governmental Activities</u>
Assets:	
Cash	\$ 663,874
Cash Held Under Protest	57,147
Receivables (net of allowance for uncollectible):	
Taxes	22,482
Loans	171,375
Assessments	5,861
Bond Issue Fee (net of amortization)	420
Capital Assets, not being depreciated	<u>4,679,912</u>
Total Assets	<u>\$ 5,601,071</u>
 Liabilities and Fund Equity	
Accrued Interest	\$ 655
Bonds Payable	<u>3,945,000</u>
Total Liabilities	<u>3,945,655</u>
 Net Assets	
Invested in Capital Assets, net of related debt	734,912
Undesignated	<u>920,504</u>
Total Net Assets	<u>1,655,416</u>
 Total Liabilities and Net Assets	 <u>\$ 5,601,071</u>

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

City of Savannah, Missouri
Statement of Activities
For the Year Ended September 30, 2008

	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Special Extraordinary Items	Governmental Activities	Business- Type Activities	Total
Governmental Activities:							
Administrative	\$ 438,313	\$ 97,759	\$ -	\$ -	\$ (340,554)	\$ -	\$ (340,554)
Parks and Recreation	377,198	-	-	-	(285,060)	-	(285,060)
Police	311,095	-	-	-	(307,763)	-	(307,763)
Fire Department	33,581	-	-	-	(33,581)	-	(33,581)
Street Department	926,615	19,886	-	-	(906,729)	-	(906,729)
Street Drainage	263,127	-	-	-	(263,127)	-	(263,127)
NID Principle	4,990	-	-	-	(4,990)	-	(4,990)
Parks and Rec COP P&I	54,070	-	-	-	(54,070)	-	(54,070)
Debt Service	60,837	-	-	-	(60,837)	-	(60,837)
Total Governmental Activities	\$ 2,469,826	\$ 117,645	\$ -	\$ -	\$ (2,256,711)	-	\$ (2,256,711)
Business-Type Activities:							
Water	574,335	-	-	-	-	428,266	428,266
Wastewater	383,416	-	-	-	-	198,894	198,894
Sanitation	197,762	9,000	-	-	-	12,495	12,495
Golf Course	519,317	-	-	-	-	(16,123)	(16,123)
Total Business-Type Activities	\$ 1,674,830	\$ 9,000	\$ -	\$ -	-	623,532	623,532
General Revenues Collected:							
Taxes							
Intergovernmental					355,758	-	355,758
Sales and Use Tax					187,226	-	187,226
County Revenues					770,221	-	770,221
Franchise Taxes					9,890	-	9,890
Interest					462,989	-	462,989
License and Permits					31,149	8,896	40,045
Miscellaneous					37,578	-	37,578
Total General Revenues Collected					1,893,705	17,014	1,910,719
Transfers					327,300	(1,212,240)	(884,940)
Change in Net Assets					(35,706)	(562,798)	(598,504)
Net Assets - October 1					1,363,822	3,359,547	4,723,369
Net Assets - September 30					\$ 1,655,416	\$ 1,584,509	\$ 3,239,925

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

City of Savannah, Missouri
Balance Sheet - Governmental Funds
For the Year Ended September 30, 2008

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service Fund</u>	<u>Totals Primary Government (Memorandum Only)</u>
Assets:				
Cash	\$ 147,625	\$ 359,472	\$ 156,777	\$ 663,874
Cash Paid Under Protest	57,147	-	-	57,147
Loan Receivable	-	-	171,375	171,375
Taxes Receivable, net of allowance for doubtful accounts	10,660	7,946	3,876	22,482
Assessment Receivable	2,470	3,391	-	5,861
Bond Issue Fee, net of amortization	-	420	-	420
Total Assets	<u>\$ 217,902</u>	<u>\$ 371,229</u>	<u>\$ 332,028</u>	<u>\$ 921,159</u>
Liabilities and Fund Equity				
Liabilities:				
Accrued Interest	-	-	655	655
Total Liabilities	<u>-</u>	<u>-</u>	<u>655</u>	<u>655</u>
Fund Equity:				
Fund Balance				
Unreserved	<u>217,902</u>	<u>371,229</u>	<u>331,373</u>	<u>920,504</u>
Total Fund Equity	<u>217,902</u>	<u>371,229</u>	<u>331,373</u>	<u>920,504</u>
Total Liabilities and Fund Equity	<u>\$ 217,902</u>	<u>\$ 371,229</u>	<u>\$ 332,028</u>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	4,679,912
Long-term liabilities, including capital leases, certificates of participation and bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,945,000)</u>
Net assets of governmental activities	<u>\$ 1,655,416</u>

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

City of Savannah, Missouri
Combined Statement of Revenues, Expenditures
and Changes in Fund Balance
All Governmental Fund Types
For the Year Ended September 30, 2008

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	Totals Primary Government (Memorandum Only)
Revenues:				
Taxes	\$ 654,422	\$ 880,814	\$ 63,622	\$ 1,598,858
Operations	-	95,470	-	95,470
Interest	2,803	19,283	9,063	31,149
Intergovernmental	-	187,226	-	187,226
Other	<u>156,848</u>	<u>37,269</u>	-	<u>194,117</u>
Total Revenues	<u>814,073</u>	<u>1,220,062</u>	<u>72,685</u>	<u>2,106,820</u>
Expenditures:				
General Funds:				
General Operations	438,313	377,198	-	815,511
Police Department	311,095	-	-	311,095
Fire Department	33,581	-	-	33,581
Street Department	235,221	691,394	-	926,615
Street Drainage, NID Princ, COP	-	322,187	-	322,187
Debt Service:				
Principal Retirement	-	-	50,000	50,000
Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>10,837</u>	<u>10,837</u>
Total Expenditures	<u>1,018,210</u>	<u>1,390,779</u>	<u>60,837</u>	<u>2,469,826</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(204,137)</u>	<u>(170,717)</u>	<u>11,848</u>	<u>(363,006)</u>
Other Financing Sources (Uses)				
Operating Transfers In	345,300	330,000	-	675,300
Operating Transfers Out	<u>-</u>	<u>(348,000)</u>	<u>-</u>	<u>(348,000)</u>
Total Other Financing Sources (Uses)	<u>345,300</u>	<u>(18,000)</u>	<u>-</u>	<u>327,300</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	141,163	(188,717)	11,848	(35,706)
Fund Balance, October 1	<u>76,739</u>	<u>559,946</u>	<u>319,525</u>	<u>956,210</u>
Fund Balance, September 30	<u>\$ 217,902</u>	<u>\$ 371,229</u>	<u>\$ 331,373</u>	<u>\$ 920,504</u>

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

City of Savannah, Missouri
Statement of Net Assets - Proprietary Fund
For the Year Ended September 30, 2008

Assets	<u>Enterprise Fund</u>
Current Assets:	
Cash	\$ 279,743
Restricted Cash	1,762,696
Investments	219,869
Receivables (net of allowance for uncollectible)	
Accounts	112,242
Interest	<u>654</u>
Total Current Assets	<u>2,375,204</u>
 Property, Plant & Equipment net of accumulated depreciation	 11,312,220
Deferred Bond Issuance Costs, net of accumulated amortization	 <u>6,600</u>
 Total Assets	 <u>\$ 13,694,024</u>
 Liabilities and Fund Equity	
Current Liabilities:	
Customer Deposits	\$ 80,617
Cash Overdraft	113,517
Interest Payable	141,587
City Revolving Loan, current	10,395
Lease Payable, current	25,000
Bonds Payable, current	<u>305,000</u>
Total Current Liabilities	<u>676,116</u>
 Noncurrent Liabilities:	
Revenue Bonds Payable	10,560,165
Lease Payable	<u>421,521</u>
Total Current Liabilities	<u>10,981,686</u>
Total Liabilities	<u>11,657,802</u>
 Net Assets:	
Contributed Capital	365,000
Restricted	1,680,692
Unrestricted	<u>(9,470)</u>
Total Net Assets	<u>2,036,222</u>
 Total Liabilities and Fund Equity	 <u>\$ 13,694,024</u>

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

City of Savannah, Missouri
Combined Statement of Revenues, Expenses and Changes in
Net Assets - All Proprietary Fund Types
For the Year Ended September 30, 2008

	<u>Enterprise Fund</u>
Operating Revenues:	
Charges for Services	\$ 2,355,858
Grants	9,000
Other	<u>61,016</u>
Total Operating Revenues	<u>2,425,874</u>
Operating Expenses:	
Depreciation and Amortization	679,121
Salaries and Wages	424,664
Materials and Supplies	206,858
Chemicals, Fuel and Oil	196,696
Repairs and Maintenance	162,038
Other Operating Expenses	<u>473,926</u>
Total Operating Expenses	<u>2,143,303</u>
Operating Income (Loss)	<u>282,571</u>
Nonoperating Revenues (Expenses):	
Interest Income	121,093
Interest Expense & Fiscal Charges	<u>(542,324)</u>
Total Nonoperating Revenues Expenses	<u>(421,231)</u>
Income (Loss) Before Operating Transfers	(138,660)
Operating Transfers:	
Operating Transfers In	1,117,240
Operating Transfers Out	<u>(1,410,707)</u>
Total Operating Transfers	<u>(293,467)</u>
Net Income (Loss)	(432,127)
Retained Earnings, October 1	<u>2,468,349</u>
Retained Earnings, September 30	<u>\$ 2,036,222</u>

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

City of Savannah, Missouri
Combined Statement of Cash Flows - All Enterprise Funds
For the Year Ended September 30, 2008

	Combined Water and Wastewater Fund	Cemetery Fund	Non Expendable Trust Fund	Landfill Fund	Duncan Community Development Fund	Golf Course Fund	Clasbey Community Center Fund	Totals (Memorandum Only)
Cash Flows from Operating Activities:								
Operating Income (Loss)	\$ 277,775	\$ (16,013)	\$ 4,927	\$ 24,434	\$ (1,724)	\$ 5,526	\$(12,354)	\$ 282,571
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:								
Depreciation and Amortization	534,109	4,446	12,687	11,653	1,724	97,027	17,475	679,121
Changes in Assets and Liabilities:								
(Increase) decrease in Accts Receivable	18,708	-	-	1,453	-	-	-	20,161
(Increase) decrease in Interest Receivable	-	422	100	-	-	-	87	609
Increase (decrease) in Customer Deposits	2,393	-	-	-	-	-	-	2,393
Increase (decrease) in Interest Payable	17,732	-	-	-	-	-	-	17,732
Total Adjustments	<u>572,942</u>	<u>4,868</u>	<u>12,787</u>	<u>13,106</u>	<u>1,724</u>	<u>97,027</u>	<u>17,562</u>	<u>720,016</u>
Net Cash Provided by (Used for) Operating Activities	<u>850,717</u>	<u>(11,145)</u>	<u>17,714</u>	<u>37,540</u>	<u>-</u>	<u>102,553</u>	<u>5,208</u>	<u>1,002,587</u>
Cash Flows from Noncapital Financing Activities:								
Operating Transfers In	1,092,240	-	-	10,000	-	15,000	-	1,117,240
Operating Transfers Out	<u>(1,355,707)</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(1,410,707)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(263,467)</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(293,467)</u>
Cash Flows from Capital and Related Financing Activities:								
Purchase of Equipment	(8,459,539)	(4,642)	(8,669)	(18,502)	-	(114,130)	-	(8,605,482)
Principal Paid on Bonds and Lease	(418,585)	-	-	-	-	(26,758)	(9,888)	(455,231)
Interest Paid on Bonds and Lease	<u>(527,919)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,405)</u>	<u>-</u>	<u>(542,324)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(9,406,043)</u>	<u>(4,642)</u>	<u>(8,669)</u>	<u>(18,502)</u>	<u>-</u>	<u>(155,293)</u>	<u>(9,888)</u>	<u>(9,603,037)</u>
Cash Flows from Investing Activities:								
Interest on Investments	107,192	2,455	7,369	2,517	-	946	614	121,093
Purchase of Investments	<u>-</u>	<u>(1,309)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,309)</u>
Net Cash Provided by (Used for) Investing Activities	<u>107,192</u>	<u>1,146</u>	<u>7,369</u>	<u>2,517</u>	<u>-</u>	<u>946</u>	<u>614</u>	<u>119,784</u>
Net Increase (Decrease) in Cash and Restricted Cash	<u>(8,711,601)</u>	<u>(14,641)</u>	<u>16,414</u>	<u>6,555</u>	<u>-</u>	<u>(66,794)</u>	<u>(4,066)</u>	<u>(8,774,133)</u>
Cash and Cash Equivalents, October 1	<u>10,474,275</u>	<u>51,761</u>	<u>12,892</u>	<u>97,244</u>	<u>-</u>	<u>69,429</u>	<u>(2,546)</u>	<u>10,703,055</u>
Cash and Cash Equivalents, September 30	<u>\$ 1,762,674</u>	<u>\$ 37,120</u>	<u>\$ 29,306</u>	<u>\$ 103,799</u>	<u>\$ -</u>	<u>\$ 2,635</u>	<u>\$ (6,612)</u>	<u>\$ 1,928,922</u>

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

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 1: Summary Of Significant Accounting Policies

The basic financial statements of the City of Savannah, Missouri (the city) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. The Reporting Entity

The City reports related organizations under the guidance of Statement No. 14 of the Governmental Accounting Standards Board. Statement No.14 defines the primary government, and establishes the criteria for which potential component units are included in the reporting entity. Statement No. 14 defines financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

The accompanying basic financial statements include only the operations of the City, since management has determined that there are no other organizations that meet the criteria for inclusion in the reporting entity of the City.

B. Government-Wide and Fund Financial Statements

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

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 1: Summary Of Significant Accounting Policies (Continued)

B: Government-Wide and Fund Financial Statements

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 1: Summary Of Significant Accounting Policies (Continued)

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

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

The City reports the following major governmental funds:

The **General Fund** is the City's general operating fund. It accounts for all financial resources except those required to be accounted for in other funds.

The **Parks and Recreation Fund** is a special revenue fund that handles all of the operating revenues and expenditures of the parks department, such as the swimming pool and ballfields.

The **Sales Tax and Gas Tax Funds** are special revenue funds that receive sales taxes for the purpose of street maintenance.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The **Non-major Special Revenue Funds** (Police Training, Street Drainage, NID Principal, Tree Board, Parks and Recreation COP P&I Funds) are used to account for those transactions for the operation and maintenance of legally created special districts.

The City reports the following major proprietary funds:

The **Water Fund** is used to account for the water utility that produces and distributes water to City residents.

The **Wastewater Fund** is used to account for the sewer utility that provides sewer services to the City's residents.

The **Sanitation Fund** is used to account for the trash utility that provides trash services to the City's residents.

The **Golf Course Fund** is used to account for the operations of the municipal golf course.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 1: Summary Of Significant Accounting Policies (Continued)

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

The City applies all Governmental Accounting Standards Board (GASB) pronouncements, applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. An exception to this general rule is the chargeback of services, such as utilities, vehicle maintenance, and central costs. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues are those which cannot be associated directly with program activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the proprietary funds are as follows: sale of water for the Water Fund, sale of sewer for the Wastewater Fund, sale of trash collections for the Sanitation Fund, sale of golf course memberships and greens fees for the Golf Course Fund. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. New Accounting Principles

The City has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. No new statements needed to be adopted for the fiscal year ending September 30, 2008.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 1: Summary Of Significant Accounting Policies (Continued)

E. Compensated Absences

The City's policy on accumulated unpaid vacation, sick pay, and other employee benefit amounts is such that any accumulation of these benefits would not exceed a normal year's cost; consequently, no accrual is necessary in the Enterprise Funds and no further disclosure of the liability is required in the Governmental Funds.

F. Inventories

Inventories are carried at the lower of cost or market value with cost being determined on a first in, first out (FIFO) basis of accounting. Inventory acquisitions in the General Fund are charged as expenditures when purchased.

G. Use of Estimates in Preparing Financial Statements

The preparation of general purpose financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

H. Restricted Assets

Restricted Assets of the Enterprise Funds consist of checking and certificates of deposit which have been set aside, based on certain bond covenants to provide for the redemption of bonds in future years and to service outstanding debt as well as pay back customer security deposits.

I. Encumbrance Accounting

The City employed encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at year end. Open encumbrances if any, are reported as a reservation of fund balance since the commitments would be honored in subsequent years.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

J. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

For the purpose of the Statement of Cash Flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

K. Budgets

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, the debt service fund and the proprietary funds of the City. The budget for the proprietary fund is for management control purposes and is not required to be reported. All budgets are adopted on the same basis of accounting used to reflect actual revenues and expenditures/expenses recognized on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the general fund, special revenue funds, the debt service fund and the proprietary fund. During the fiscal year ended September 30, 2008, the original budget was amended through supplemental appropriations. These changes are reflected in the Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual.

All unencumbered budget appropriations lapse at the end of each year.

L. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable Governmental or Business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of the donation.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

L. Capital Assets (Concluded)

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the estimated useful lives in this table.

Buildings	30-60 years
Improvements Other than Buildings	10-20 years
Infrastructure	5-60 years
Water System	40-65 years
Equipment	6-15 years

Fully depreciated assets still in service are carried in the capital asset accounts.

M. Contributed Capital

Contributed Capital - 1980 General Obligation Bonds represents bond issues proceeds or capital improvements to the City's waterworks and sewage system.

N. Bond Issue Fees

Deferred bond issue costs relate to the issuance of various revenue bonds of the city. The deferred costs are being amortized over the life of the bonds.

O. Receivables

All receivables of the City are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the various funds are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month of September.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 1: Summary of Significant Accounting Policies (Continued)

P. Long-Term Obligations

In the government-wide and proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or the proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs and deferred charges, are deferred and amortized over the life of the bonds using the straight-line method which is not materially different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred charges. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Q. Fund Equity

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

Note 2: Cash and Investments

The City Clerk is delegated the authority to establish and control uniform cash management policies that apply to the City. Thus, the following risk assessments apply to cash, cash equivalents, and investments of the primary government.

Interest Rate Risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has no formal investment policy regarding interest rate risk.

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentrations: The City's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity. At September 30, 2008, the District had no concentration of credit risk.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 2: Cash and Investments (Concluded)

Custodial Credit Risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of September 30, 2008, the City's bank balance of \$2,707,161 was insured and collateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Deposits

At September 30, 2008, the carrying amount of the City's deposits net of outstanding checks, including certificates of deposit was \$2,649,892 and the bank balance was \$2,707,161. All this bank balance \$100,000 is FDIC insured. The uninsured portion was collateralized with U.S. Government securities held by a third party.

Investments

Missouri State Statutes authorized the City, with certain restrictions, to deposit funds in open accounts, time deposits and certificates of deposit. Statutes also require that collateral pledged have a fair market value equal to 100% of the funds on deposit, less insured amounts. Collateral securities must be held by the City or a disinterested third party and must be of the kind prescribed by State Statutes and approved by the State.

Investments - The district may purchase any investments allowed by the State Treasurer. These include (1) obligations of the United States government or any agent or instrumentality thereof maturing and becoming payable not more than three years from the date of purchase, or (2) repurchase agreements maturing and becoming payable within ninety days secured by U.S. Treasury obligations of U.S. government agencies or instrumentalities of any maturity, as provided by law. At September 30, 2008 the City had \$219,970 invested in various money market accounts certificates of deposit.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 2: Cash and Investments (Concluded)

The City has one cash account available for use by all funds and several cash accounts available to specific funds of the City. Each fund type's portion of these deposits are displayed on the combined balance sheet.

At September 30, 2008 the cash and cash equivalents for the City were as follows:

	<u>Unrestricted</u>	
Cash in Drawer	\$	50
Checking Account		830,100
Total Unrestricted Deposits		\$ 830,150
<u>Restricted</u>		
Bond and Interest Fund:		
Principal & Interest Checking	\$	419,428
Reserve Checking		103,601
Depreciation Checking		78,029
SRF Principal & Interest Checking		168,156
Cemetery Fund		
Certificates of Deposit		48,547
Nonexpendable Trust Fund		
Certificates of Deposit		100,558
Alma Martin Trust		
Certificates of Deposit		58,688
Utility Deposit Checking		92,906
Wastewater COP P&I Checking		1,386
Water Construction		
Checking		899,190
General Fund		
Cash Paid Under Protest		57,147
Clasbey Center Fund		
Certificate of Deposit		12,076
Total Restricted Deposits		\$2,039,712

The ordinance authorizing the Waterworks and Sewage System Revenue Bonds requires that the City establish various reserve funds (Principal and Interest, Bond Reserve and Depreciation and Replacement) in an amount not less than the maximum annual requirement for the payment of principal and interest on the revenue bonds.

City of Savannah, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Note 3: Property Taxes

The City of Savannah's real estate taxes collected for the year ending September 30, 2008 amounted to \$320,440. This represents approximately 97.94% of the current assessment. Property taxes attach as an enforceable lien on property if not paid by the January 1 following the date of assessment. Taxes are levied in September and are payable by December 31. The City bills and collects the property taxes. City property tax revenues are recognized when levied to the extent that they result in current receivables.

The tax levy per \$100 of assessed valuation for the City of Savannah at September 30, 2008 is as follows:

General Fund	\$.4407
Park and Recreation Fund	.2812
Bond and Interest Fund	<u>.1692</u>
Total	<u>\$.8911</u>

The assessed valuation for the City of Savannah at September 30, 2008 is as follows:

Real Estate	\$ 36,717,849
Total	<u>\$ 36,717,849</u>

Note 4: Capital Assets

A summary of the changes in general fixed assets for the year ended September 30, 2008 is as follows:

	Beginning of Year	Additions	Deletions	End of Year
Land & Bldgs	\$2,389,364	\$ -	\$ -	\$2,389,364
Vehic & Equip	<u>1,985,530</u>	<u>305,018</u>	<u>-</u>	<u>2,290,548</u>
Totals	<u>\$4,374,894</u>	<u>\$ 305,018</u>	<u>\$ -</u>	<u>\$4,679,912</u>

City of Savannah, Missouri
Notes to the Basic Financial Statements
September 30, 2008

Note 4: Capital Assets

A summary of the proprietary fund type property, plant and equipment is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Land and Improvements	\$ 1,219,501	\$ 673,435	\$ 546,066
Buildings	7,300,771	5,936,213	1,364,558
Plant Improvements	10,200,581	1,067,278	9,133,303
Plant Equipment	2,435,672	2,190,125	245,547
Auto Equipment	80,781	75,990	4,791
Tennis Courts	104,362	104,362	-
Baseball Diamond	32,405	14,450	17,955
Total	<u>\$21,374,073</u>	<u>\$ 10,061,853</u>	<u>\$11,312,220</u>

A summary of the proprietary fund type bond issue fees is as follows:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Book Value</u>
Bond Issue Fees	\$ 126,680	\$ 119,660	\$ 7,020
Total	<u>\$ 126,680</u>	<u>\$ 119,660</u>	<u>\$ 7,020</u>

Note 5: Long-Term Debt

The following is a summary of each of the bond and lease transactions of the City for the year ended September 30, 2008 broken down by type.

SRF Water Pollution Revenue Bonds

Bonds Payable, October 1, 2007	\$ 268,750
Add: Bonds Issued	-
Less: Bonds Retired	<u>(123,585)</u>
Bonds Payable, September 30, 2008	<u>\$ 145,165</u>

The city has received \$700,000 from the State Environmental Improvement and Energy Resources Authority, State Revolving Fund Program for water pollution control improvements. As of September 30, 2001, the city received \$700,000. The rates on the bonds are 5% to 7.2% to be paid in annual installments from \$10,000, January 1, 1996 to \$67,000 on January 1, 2015. The city will receive credit for a portion of the interest.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 5: Long-Term Debt (Continued)

SRF Water Pollution Revenue Bond (Concluded)

Debt service requirements to maturity are:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	57,000	29,197	86,197
2010	59,000	25,092	84,092
2011	29,165	16,416	45,581
Totals	<u>\$ 145,165</u>	<u>\$ 70,705</u>	<u>\$ 215,870</u>

General Obligation Bonds

The following is a summary of the General Obligation Bonds of the City as of September 30, 2008.

	<u>Swimming Pool</u>
Bonds Payable, Oct 1, 2007	\$ 340,000
Add - Bond Issued	-
Less - Bonds Retired	(50,000)
Bonds Payable Sept 30, 2008	<u>\$ 290,000</u>

\$650,000 swimming pool serial bonds, dated June 1, 1994, due in annual installments of \$5,000 to \$70,000 commencing March 1, 1995 through March 1, 2014; interest rates are 3.75% to 6.15%, payable March 1 and September 1.

\$ 290,000

General Obligation Bonds (Concluded)

Debt service requirements to maturity for the swimming pool bonds are as follows:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	55,000	9,367	64,367
2010	55,000	7,635	62,635
2011	55,000	5,738	60,738
2012	65,000	3,529	68,529
2013	60,000	1,155	61,155
Totals	<u>\$ 290,000</u>	<u>\$ 27,424</u>	<u>\$ 317,424</u>

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 5: Long-Term Debt (Continued)

Revenue Bonds

The following is a summary of the revenue bonds for the City as of September 30, 2008.

	<u>2004 Water Bonds</u>
Bonds Payable, Oct 1, 2007	\$7,200,000
Add - Bond Issued	-
Less - Bonds Retired	<u>(200,000)</u>
Bonds Payable Sept 30, 2008	<u>\$7,000,000</u>

\$7,375,000 waterworks and sewerage system revenue bonds dated, March 2004, due in varying annual installments of \$170,000 to \$545,000 through 2024; interest rates are 2.25% to 4.75%, payable March 1 and September 1.

\$7,000,000

Debt service requirements to maturity for the 2004 Waterworks System Revenue bonds are as follows:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 235,000	\$ 278,646	\$ 513,646
2010	255,000	270,989	525,989
2011	265,000	262,864	527,864
2012	275,000	254,049	529,049
2013-2017	1,810,000	1,038,314	2,848,314
2018-2022	2,455,000	620,986	3,075,986
2023-2024	<u>1,705,000</u>	<u>69,875</u>	<u>1,774,875</u>
Totals	<u>\$ 7,000,000</u>	<u>\$ 2,795,723</u>	<u>\$ 9,795,723</u>

The following is a summary of the Water System revenue bonds for the City as of September 30, 2008.

	<u>2007 Water Bonds</u>
Bonds Payable, Oct 1, 2007	\$3,300,000
Add - Bond Issued	-
Less - Bonds Retired	<u>(75,000)</u>
Bonds Payable Sept 30, 2008	<u>\$3,225,000</u>

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 5: Long-Term Debt (Continued)
Revenue Bonds (Concluded)

\$3,300,000 waterworks and sewerage system revenue bonds dated, April 2007, due in varying annual installments of \$60,000 to \$750,000 through 2026; interest rates are 4.00% to 4.80%, payable December 1 and June 1.

\$3,225,000

Debt service requirements to maturity for the 2007 Waterworks System Revenue bonds are as follows:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 70,000	\$ 156,270	\$ 226,270
2010	80,000	151,870	231,870
2011	90,000	148,470	238,470
2012	115,000	144,083	259,083
2013	90,000	139,471	229,471
2014-2018	510,000	631,815	1,141,815
2019-2023	660,000	484,500	1,144,500
2024-2026	1,610,000	143,393	1,753,393
Totals	<u>\$ 3,225,000</u>	<u>\$ 1,999,872</u>	<u>\$ 5,224,872</u>

The following is a summary of the NID Principle bonds for the City as of September 30, 2008.

	<u>NID Principle Bonds</u>
Bonds Payable, Oct 1, 2007	\$ 45,000
Add - Bond Issued	-
Less - Bonds Retired	(2,000)
Bonds Payable Sept 30, 2008	<u>\$ 43,000</u>

\$51,000 Neighborhood Improvement District Bonds dated, May 2002, due in varying annual installments of \$2,000 to \$4,000 through 2022; interest rates are 5.25% to 6.00%, payable March 1 and September 1.

\$ 43,000

Debt service requirements to maturity for the NID Principle Bonds are as follows:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 2,000	\$ 2,467	\$ 4,467
2010	2,000	2,363	4,363
2011	2,000	2,258	4,258
2012	2,000	2,153	4,153
2013	3,000	2,010	5,010
2014-2018	16,000	7,320	23,320
2018-2022	16,000	3,000	19,000
Totals	<u>\$ 43,000</u>	<u>\$ 21,571</u>	<u>\$ 64,571</u>

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 5: Long-Term Debt (Continued)

Capital Leases

The following is a summary of the capital leases of the City as of September 30, 2008.

	<u>Golf Cart Lease</u>
Leases Payable, Oct 1, 2007	\$ 235,000
Add - Leases Issued	-
Less - Leases Retired	<u>(20,000)</u>
Leases Payable Sept 30, 2008	<u>\$ 215,000</u>

Lease payments are payable to First Bank of Missouri in semi-annual payments on March 1 and September 1. The final payment is March 1, 2017. Principle payments are due March 1 in varying amounts from \$20,000 to \$30,000. Interest rates are from 5.5% to 5.75%. The proceeds of this lease were used to expand the golf course. The installments are to be paid from the golf course

\$ 215,000

The annual requirements to amortize the golf course lease are as follows:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 20,000	\$ 12,363	\$ 32,363
2010	25,000	11,788	36,788
2011	25,000	9,631	34,631
2012	25,000	8,194	33,194
2013	25,000	6,756	31,756
2014-2017	95,000	12,506	107,506
Totals	<u>\$ 215,000</u>	<u>\$ 61,238</u>	<u>\$ 276,238</u>

Street Drainage
Lease

Leases Payable, Oct 1, 2007	\$ 2,840,000
Add - Leases Issued	-
Less - Leases Retired	<u>(115,000)</u>
Leases Payable Sept 30, 2008	<u>\$ 2,725,000</u>

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 5: Long-Term Debt (Continued)

Lease payments are payable to United Missouri Bank in semi-annual payments on February 1 and August 1. The final payment is March 1, 2022. Principle payments are due February 1 in varying amounts from \$100,000 to \$520,000. Interest rates are from 3.0% to 5.875%. The proceeds of this lease were used to make permanent streets, curbs, guttering and improve street drainage. The installments are to be paid from the street drainage fund

\$ 2,725,000

The annual requirements to amortize the golf course lease are as follows:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 125,000	\$ 149,053	\$ 274,053
2010	130,000	142,803	272,803
2011	135,000	136,177	271,177
2012	140,000	129,198	269,198
2013	150,000	121,693	271,693
2014-2018	875,000	474,456	1,349,456
2019-2022	<u>1,285,000</u>	<u>165,675</u>	<u>1,450,675</u>
Totals	<u>\$ 2,840,000</u>	<u>\$ 1,319,055</u>	<u>\$4,159,055</u>

COP Sewer
Lease

Leases Payable, Oct 1, 2007	\$ 515,000
Add - Leases Issued	-
Less - Leases Retired	<u>(20,000)</u>
Leases Payable Sept 30, 2008	<u>\$ 495,000</u>

Lease payments are payable in semi-annual payments on February 1 and August 1. The and August 1. The final payment is October 1, 2024. Principle payments are due February 1 in varying amounts from \$15,000 to \$45,000. Interest rates are from 3.0% to 5.875%. The installments are to be paid from the Wastewater C&I Fund.

\$ 495,000

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 5: Long-Term Debt (Concluded)

The annual requirements to amortize the lease are as follows:

Year Ended September 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 20,000	\$ 21,999	\$ 41,999
2010	25,000	21,296	46,296
2011	25,000	20,483	45,483
2012	25,000	19,608	44,608
2013	25,000	18,671	43,671
2014-2018	145,000	75,348	220,348
2019-2023	185,000	46,353	231,353
2024	45,000	1,598	46,598
Totals	<u>\$ 495,000</u>	<u>\$ 225,356</u>	<u>\$ 720,356</u>

Interfund Receivables

On January 1, 2004 the cities Mo. Clasby fund borrowed \$225,000 from the City Revolving Loan Fund for the purpose of providing renovations for the Mo Clasby Building.

The annual requirements to amortize this loan are as follows:

<u>Year Ended September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 10,139	\$ 4,169	\$ 14,308
2010	10,395	3,913	14,308
2011	10,658	3,650	14,308
2012	10,928	3,380	14,308
2013	11,203	3,105	14,308
Thereafter	118,047	13,958	132,005
Totals	<u>\$ 171,370</u>	<u>\$ 32,175</u>	<u>\$ 203,545</u>

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 6: Retirement Plan

A. Plan Description

The City of Savannah 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 401a and it is tax exempt.

The Missouri Local Government Employees Retirement System 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.

B. Funding Status

The City of Savannah's full-time employees do not contribute to the pension plan. The political subdivision is required to contribute at an actuarially determined rate; the current rate is 13.1% (general), 5.1% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 6: Retirement Plan (Continued)

C. Annual Pension Cost

For 2008, the political subdivision's annual pension cost of \$85,965 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 29, 2008 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 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Health 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 opened basis. The amortization period at February 29, 2008 was 15 years.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 66,208	100%	\$ 0
6/30/07	77,895	100%	0
6/30/08	85,965	100%	0

Note 7: Commitments and Contingencies

Amounts received or receivables from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

There were no known commitments or contingencies September 30, 2008.

City of Savannah, Missouri
Notes to Basic Financial Statements
September 30, 2008

Note 8: Stewardship, Compliance and Accountability

Compliance with Finance Related Legal and Contractual Provisions

The City incurred no material violations of finance related legal and contractual provisions.

Excess of Expenditures Over Appropriations in Individual Funds

For the year ended September 30, 2008, the City had no material excess of expenditures over appropriations in individual funds.

Net Assets/Fund Balance Deficit

At September 30, 2008, the City had a deficit net asset balance of \$1,507 in the NID Principle Fund. The Park and Recreation COP P&I Fund had a deficit net asset balance of \$10,678. The Clasby Community Center Fund had a deficit net asset balance of \$18,598. The Wastewater Fund had a deficit net asset balance of \$20,254.

CITY OF SAVANNAH, MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2008

City of Savannah, Missouri
Required Supplementary Information
Schedule of Funding Progress of
Employees Retirement System
(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	(a) <u>Actuarial Value of Assets</u>	(b) <u>Entry Age Actuarial Accrued Liability</u>	(b-a) <u>Unfunded Accrued Liability (UAL)</u>	(a/b) <u>Funded Ratio</u>	(c) <u>Annual Covered Payroll</u>	[(b-a)/c] <u>UAL as a Percent of Covered Payroll</u>
2/28/06	\$1,006,881	\$ 1,134,417	\$ 127,536	89%	\$595,564	21%
2/28/07	1,068,105	1,186,979	118,874	90%	644,522	18
2/28/08	1,286,370	1,416,387	130,017	91%	774,749	17

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

City of Savannah, Missouri
Combined Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual -
General Fund
For the Year Ended September 30, 2008

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Taxes	\$ 472,700	\$ 654,422	\$ 181,722
Interest	2,000	2,803	803
Other	<u>61,550</u>	<u>156,848</u>	<u>95,298</u>
Total Revenues	<u>536,250</u>	<u>814,073</u>	<u>277,823</u>
Expenditures:			
Current:			
General Department	447,050	438,313	8,737
Police Department	310,300	311,095	(795)
Fire Department	33,510	33,581	(71)
Street Department	<u>228,650</u>	<u>235,221</u>	<u>(6,571)</u>
Total Expenditures	<u>1,019,510</u>	<u>1,018,210</u>	<u>1,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(483,260)</u>	<u>(204,137)</u>	<u>279,123</u>
Other Financing Sources (Uses)			
Operating Transfers In	345,300	345,300	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>345,300</u>	<u>345,300</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$(137,960)</u>	141,163	<u>\$(279,123)</u>
Fund Balance, October 1		<u>76,739</u>	
Fund Balance, September 30		<u>\$ 217,902</u>	

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

City of Savannah, Missouri
Combined Statement of Revenues, Expenditures
and Changes in Fund Balance - Budget and Actual -
Special Revenue Fund
For the Year Ended September 30, 2008

	<u>Special Revenue Fund</u>		
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 878,700	\$ 880,814	\$ 2,114
Operations	65,700	95,470	29,770
Interest	13,765	19,283	5,518
Intergovernmental	191,000	207,112	16,112
Other	<u>178,950</u>	<u>17,383</u>	<u>(161,567)</u>
Total Revenues	<u>1,328,115</u>	<u>1,220,062</u>	<u>(108,053)</u>
Expenditures:			
Current:			
Parks and Recreation Dept	384,800	377,198	7,602
Police Department	-	-	-
Street Department	717,479	691,394	26,085
Street Drainage	302,980	263,127	39,853
NID Principal	3,100	4,990	(1,890)
Parks and Rec COP	37,000	54,070	(17,070)
Tree Board	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,445,359</u>	<u>1,390,779</u>	<u>54,580</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(117,244)</u>	<u>(170,717)</u>	<u>(53,473)</u>
Other Financing Sources (Uses)			
Operating Transfers In	331,500	330,000	(1,500)
Operating Transfers Out	<u>(348,000)</u>	<u>(348,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(16,500)</u>	<u>(18,000)</u>	<u>(1,500)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$ (133,744)</u>	<u>(188,717)</u>	<u>\$ 54,973</u>
Fund Balance, October 1		<u>559,946</u>	
Fund Balance, September 30		<u>\$ 371,229</u>	

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

City of Savannah, Missouri
Notes to Required Supplementary Information
For the Year Ended September 30, 2008

Note 1: Budget Policies

The budget policies of the City are as follows:

(1) Prior to October 1, the city clerk obtains a list of requested major acquisitions from each department head. The list is submitted to the Board of Aldermen for approval. At this time, the Board of Aldermen approves all pay increases. Based on the approved list of major acquisitions and approved salary increases and proposed operating expenditures, the Board of Aldermen prepares the budget for the fiscal year commencing October 1.

(2) The City Clerk submits to the Board of Aldermen a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.

(3) The Board of Aldermen reviews the tentative budget and may make some revisions before approving a "preliminary" budget and calling for a public hearing which is generally held in October.

(4) Public hearings are conducted at City Hall to obtain taxpayer comments.

(5) Prior to October 1, the budget is legally enacted through passage of an ordinance.

(6) Formal annual budgetary accounts are employed as a management control device for the General Fund and each individual Special Revenue Fund Type.

(7) During the fiscal year, the City can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for departmental budgetary control. All budget amendments and budget transfers require City Council approval.

(8) Annual budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. All unencumbered appropriations lapse at the end of the fiscal year.

(9) Total expenditures for each object classification within a department may not legally exceed the total appropriations for that object classification.

CITY OF SAVANNAH, MISSOURI
SUPPLEMENTAL INFORMATION
SEPTEMBER 30, 2008

City of Savannah, Missouri
Statement of Revenues, Expenditures and Changes in Fund
Balance - General Fund
For the Year Ended September 30, 2008

	<u>General Department</u>	<u>Police Department</u>	<u>Fire Department</u>	<u>Street Department</u>	Totals (Memorandum Only)
Revenues:					
Real Estate Taxes	-	-	-	\$ -	\$ 159,731
Franchise Taxes	-	-	-	-	462,989
Fines and Permits	-	-	-	-	37,578
Interest Income	-	-	-	-	2,803
Special Taxes	-	-	-	-	25,666
County Taxes	-	-	-	-	6,036
Grant Receipts	-	-	-	-	97,759
Other	-	-	-	-	21,511
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>814,073</u>
Expenditures:					
Salaries and Wages	164,525	193,663	16,786	113,631	488,605
Payroll Taxes	14,494	14,332	1,291	8,525	38,642
Retirement	14,630	8,999	-	14,834	38,463
Group Insurance	26,667	31,121	-	15,833	73,621
Training	4,207	2,327	125	-	6,659
Utilities and Telephone	55,272	7,307	-	12,420	74,999
Insurance	12,262	14,477	2,521	8,648	37,908
Capital Outlay	6,857	3,145	3,234	10,559	23,795
Printing and Publications	5,865	-	-	-	5,865
Election Costs	1,911	-	-	-	1,911
Fuel and Oil	453	18,841	724	11,959	31,977
Repairs and Maintenance	88,863	10,506	5,437	36,872	141,678
Uniforms	297	1,982	-	1,899	4,178
Professional Fees	12,327	-	-	-	12,327
Postage	3,347	-	-	-	3,347
Animal Control	-	1,081	-	-	1,081
Service Agreement	2,582	-	-	-	2,582
Dues	7,209	-	963	-	8,172
Office Supplies	5,941	-	-	-	5,941
Testing	4,879	-	-	-	4,879
Travel	1,692	-	-	-	1,692
Rental	-	-	2,500	-	2,500
Miscellaneous	4,033	3,314	-	41	7,388
Total Expenditures	<u>438,313</u>	<u>311,095</u>	<u>33,581</u>	<u>235,221</u>	<u>1,018,210</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures					(204,137)
Other Financing Sources (Uses)					
Operating Transfers In					<u>345,300</u>
Total Other Financing Sources (Uses)					<u>345,300</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)					141,163
Fund Balance, October 1					<u>76,739</u>
Fund Balance, September 30					<u>\$ 217,902</u>

City of Savannah, Missouri
Statement of Expenditures Compared to Budget - General Fund
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
General Department			
Salaries and Wages	\$ 160,000	\$ 164,525	\$ (4,525)
Payroll Taxes	12,250	14,494	(2,244)
Retirement	16,000	14,630	1,370
Group Insurance	40,000	26,460	13,540
Deductible and Coinsurance	2,000	207	1,793
Training	4,000	4,207	(207)
Utilities, Telephone & Trash	55,800	55,272	528
Insurance	14,300	12,262	2,038
Capital Outlay	4,200	6,857	(2,657)
Printing and Publications	4,500	5,865	(1,365)
Election Costs	5,000	1,911	3,089
Repairs, Maintenance & Fuel	89,000	89,316	(316)
Uniforms	-	297	(297)
Professional Fees	15,000	12,327	2,673
Postage	2,800	3,347	(547)
Service Agreements	2,700	2,582	118
Dues	6,700	7,209	(509)
Office Supplies	4,300	5,941	(1,641)
Travel	1,000	1,692	(692)
Miscellaneous	5,000	4,033	967
Testing	2,500	4,879	(2,379)
Contingency	-	-	-
Total General Department	<u>\$447,050</u>	<u>\$438,313</u>	<u>\$ 8,737</u>
Police Department			
Salaries and Wages	\$ 183,500	\$ 193,663	\$(10,163)
Payroll Taxes	14,100	14,332	(232)
Retirement	9,300	8,999	301
Group Insurance	41,000	31,121	9,879
Training	2,000	2,327	(327)
Utilities and Telephone	5,500	7,307	(1,807)
Capital Outlay	2,200	3,145	(945)
Insurance	15,500	14,477	1,023
Fuel and Oil	15,000	18,841	(3,841)
Repairs and Maintenance	15,200	10,506	4,694
Uniforms	2,500	1,982	518
Animal Control	1,500	1,081	419
Miscellaneous	3,000	3,314	(314)
Total Police Department	<u>\$310,300</u>	<u>\$311,095</u>	<u>\$ (795)</u>

City of Savannah, Missouri
Statement of Expenditures Compared to Budget - General Fund
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Fire Department			
Salaries and Wages	\$ 17,000	\$ 16,786	\$ 214
Payroll Taxes	1,310	1,291	19
Training	-	125	(125)
Insurance	2,700	2,521	179
Capital Outlay	5,200	3,234	1,966
Fuel and Oil	500	724	(224)
Dues	1,100	963	137
Miscellaneous	2,500	2,500	-
Repairs and Maintenance	<u>3,200</u>	<u>5,437</u>	<u>(2,237)</u>
Total Fire Department	<u>\$ 33,510</u>	<u>\$ 33,581</u>	<u>\$ (71)</u>
Street Department			
Salaries and Wages	\$ 107,000	\$ 113,631	\$ (6,631)
Payroll Taxes	8,200	8,525	(325)
Retirement	14,100	14,834	(734)
Group Insurance	15,300	15,833	(533)
Utilities and Telephone	12,700	12,420	280
Insurance	9,200	8,648	552
Capital Outlay	9,150	10,559	(1,409)
Fuel and Oil	6,000	11,959	(5,959)
Repairs and Maintenance	45,000	36,872	8,128
Uniforms	2,000	1,899	101
Miscellaneous	<u>-</u>	<u>41</u>	<u>(41)</u>
Total Street Department	<u>\$ 228,650</u>	<u>\$ 235,221</u>	<u>\$ (6,571)</u>
Total	<u>\$ 1,019,510</u>	<u>\$ 1,018,210</u>	<u>\$ 1,300</u>

City of Savannah, Missouri
 Combined Balance Sheet - All Special Revenue Funds
 For the Year Ended September 30, 2008

Assets	Park and Recreation Fund	Police Training Fund	Gas Tax Fund	Sales Tax Fund	Street Drainage Fund	NID Principal Fund	Tree Board Fund	Park & Recreation COP P&I	Totals (Memorandum Only)
Cash	\$ 89,759	\$ 3,312	\$204,908	\$32,794	\$ 39,824	\$ (1,507)	\$ 1,060	\$(10,678)	\$359,472
Taxes Receivable, net of allowance for doubtful accounts	7,946	-	-	-	-	-	-	-	7,946
Bond Issue Fee	-	-	-	420	-	-	-	-	420
Special assessment receivable	-	-	3,391	-	-	-	-	-	3,391
Total Assets	<u>\$ 97,705</u>	<u>\$ 3,312</u>	<u>\$208,299</u>	<u>\$33,214</u>	<u>\$ 39,824</u>	<u>\$ (1,507)</u>	<u>\$ 1,060</u>	<u>\$(10,678)</u>	<u>\$371,229</u>
Fund Equity									
Fund Balance	<u>\$ 97,705</u>	<u>\$ 3,312</u>	<u>\$208,299</u>	<u>\$33,214</u>	<u>\$ 39,824</u>	<u>\$ (1,507)</u>	<u>\$ 1,060</u>	<u>\$(10,678)</u>	<u>\$371,229</u>
Unreserved	<u>\$ 97,705</u>	<u>\$ 3,312</u>	<u>\$208,299</u>	<u>\$33,214</u>	<u>\$ 39,824</u>	<u>\$ (1,507)</u>	<u>\$ 1,060</u>	<u>\$(10,678)</u>	<u>\$371,229</u>
Total Fund Equity									

City of Savannah, Missouri
Statement of Revenues, Expenditures and Changes in Fund Balance -
All Special Revenue Funds
For the Year Ended September 30, 2008

	Park and Recreation Fund	Police Training Fund	Gas Tax Fund	Sales Tax Fund	Street Drainage Fund	NID Principal Fund	Tree Board Fund	Park & Recreation COP, P&I	Totals (Memorandum Only)
Revenues:									
Sales and Use Tax Operations	\$ 192,537	\$ -	\$ 192,561	\$ 385,123	\$ -	\$ -	\$ -	\$ -	\$ 770,221
Intergovernmental Revenues	92,138	3,332	-	-	-	-	-	-	95,470
Real Estate Taxes	-	-	187,226	-	-	-	-	-	187,226
County Taxes	102,214	-	-	-	-	4,525	-	-	106,739
Interest	3,854	-	-	-	-	-	-	-	3,854
Grant Monies	3,489	44	12,682	1,376	971	7	28	686	19,283
Other	-	-	19,886	-	-	-	-	-	19,886
	9,129	-	1,119	7,135	-	-	-	-	17,383
Total Revenues	<u>403,361</u>	<u>3,376</u>	<u>413,474</u>	<u>393,634</u>	<u>971</u>	<u>4,532</u>	<u>28</u>	<u>686</u>	<u>1,220,062</u>
Expenditures:									
Salaries and Wages	137,988	-	-	-	-	-	-	-	137,988
Payroll Taxes	10,452	-	-	-	-	-	-	-	10,452
Retirement	8,477	-	-	-	-	-	-	-	8,477
Utilities and Telephone	17,061	-	-	-	-	-	-	-	17,061
Group Insurance	6,766	-	-	-	-	-	-	-	6,766
Insurance	9,513	-	-	-	-	-	-	-	9,513
Capital Outlay	106,800	-	5,249	53,160	116,014	-	-	-	281,223
Fuel and Oil	9,309	-	176,596	-	-	-	-	-	185,905
Chemicals	15,521	-	-	-	-	-	-	-	15,521
Repairs and Maintenance	21,352	-	-	-	-	-	-	-	21,352
Recreation Program	9,211	-	-	-	-	-	-	-	9,211
Merchandise	20,618	-	-	-	-	-	-	-	20,618
Professional Fees	-	-	53,872	-	-	-	-	-	53,872
Miscellaneous	2,588	-	-	57,300	-	-	-	-	59,888
Uniforms	1,542	-	-	-	-	-	-	-	1,542
Training	-	-	-	-	-	-	-	-	-
Street Repairs	-	-	345,217	-	147,113	-	-	-	345,217
Lease Payments	-	-	-	-	-	4,990	-	-	206,173
	-	-	580,934	110,460	263,127	4,990	-	54,070	1,390,779
Total Expenditures	<u>377,198</u>	<u>-</u>	<u>580,934</u>	<u>110,460</u>	<u>263,127</u>	<u>4,990</u>	<u>-</u>	<u>54,070</u>	<u>1,390,779</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>26,163</u>	<u>3,376</u>	<u>(167,460)</u>	<u>283,174</u>	<u>(262,156)</u>	<u>(458)</u>	<u>28</u>	<u>(53,384)</u>	<u>(170,717)</u>
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	-	270,000	-	-	60,000	330,000
Operating Transfers Out	(68,000)	-	-	(280,000)	-	-	-	-	(348,000)
Total Other Financing Sources	<u>(68,000)</u>	<u>-</u>	<u>-</u>	<u>(280,000)</u>	<u>270,000</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>(18,000)</u>
Excess (Deficiency) of Revenues And Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>(41,837)</u>	<u>3,376</u>	<u>(167,460)</u>	<u>3,174</u>	<u>7,844</u>	<u>(458)</u>	<u>28</u>	<u>6,616</u>	<u>(188,717)</u>
Fund Balance, October 1	<u>139,542</u>	<u>(64)</u>	<u>375,759</u>	<u>30,040</u>	<u>31,980</u>	<u>(1,049)</u>	<u>1,032</u>	<u>(17,294)</u>	<u>559,946</u>
Fund Balance, September 30	<u>\$ 97,705</u>	<u>\$ 3,312</u>	<u>\$ 208,299</u>	<u>\$ 33,214</u>	<u>\$ 39,824</u>	<u>\$ (1,507)</u>	<u>\$ 1,060</u>	<u>\$ (10,678)</u>	<u>\$ 371,229</u>

City of Savannah, Missouri
Parks and Recreation Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Operations	\$ 65,700	\$ 92,138	\$ 26,438
Real Estate Taxes	102,300	102,214	(86)
Sales Tax	180,000	192,537	12,537
County Taxes	3,200	3,854	654
Interest	1,200	3,489	2,289
Other	750	9,129	8,379
Total Revenues	<u>353,150</u>	<u>403,361</u>	<u>50,211</u>
Expenditures:			
Salaries and Wages	126,500	137,988	(11,488)
Payroll Taxes	10,000	10,452	(452)
Retirement	10,500	8,477	2,023
Group Insurance	12,000	6,766	5,234
Utilities and Telephone	11,600	17,061	(5,461)
Insurance	12,000	9,513	2,487
Capital Outlay	140,000	106,800	33,200
Fuel and Oil	6,000	9,309	(3,309)
Chemicals	13,000	15,521	(2,521)
Repairs and Maintenance	22,000	21,352	648
Recreation Program	3,500	9,211	(5,711)
Rock, Spraying and Seeding	1,000	-	1,000
Miscellaneous	600	2,588	(1,988)
Merchandise	15,000	20,618	(5,618)
Uniforms	1,100	1,542	(442)
Total Expenditures	<u>384,800</u>	<u>377,198</u>	<u>7,602</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,650)	26,163	57,813
Other Financing Sources (Uses)			
Transfers In	1,500	-	(1,500)
Transfers Out	(68,000)	(68,000)	-
Total Other Financing Sources	<u>(66,500)</u>	<u>(68,000)</u>	<u>(1,500)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$(98,150)</u>	(41,837)	<u>\$ 56,313</u>
Fund Balance, October 1		<u>139,542</u>	
Fund Balance, September 30		<u>\$ 97,705</u>	

City of Savannah, Missouri
Police Training Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Operations	\$ -	\$ 3,332	\$ 3,332
Interest	-	44	44
Total Revenues	<u>-</u>	<u>3,376</u>	<u>3,376</u>
Expenditures:			
Training	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	3,376	<u>\$ 3,376</u>
Fund Balance, October 1		<u>(64)</u>	
Fund Balance, September 30		<u>\$ 3,312</u>	

City of Savannah, Missouri
Gas Tax Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Sales and Use Tax	\$ 205,000	\$ 192,561	\$ (12,439)
Interest	10,000	12,682	2,682
Intergovernmental	191,000	207,112	16,112
Other	<u>176,200</u>	<u>1,119</u>	<u>(175,081)</u>
Total Revenues	<u>582,200</u>	<u>413,474</u>	<u>(168,726)</u>
Expenditures:			
Street Repairs	425,000	345,217	79,783
Professional Services	-	53,872	(53,872)
Capital Outlay	6,000	5,249	751
Oil and Asphalt	145,000	176,596	(31,596)
Rock, Chat and Tubes	<u>7,000</u>	<u>-</u>	<u>7,000</u>
Total Expenditures	<u>583,000</u>	<u>580,934</u>	<u>2,066</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(800)	(167,460)	(166,660)
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$ (800)</u>	(167,460)	<u>\$ (166,660)</u>
Fund Balance, October 1		<u>375,759</u>	
Fund Balance, September 30		<u>\$ 208,299</u>	

City of Savannah, Missouri
Sales Tax Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Sales and Use Tax	\$ 383,000	\$ 385,123	\$ 2,123
Interest	-	1,376	1,376
Other	<u>2,000</u>	<u>7,135</u>	<u>5,135</u>
Total Revenues	<u>385,000</u>	<u>393,634</u>	<u>8,634</u>
Expenditures:			
Capital Outlay	59,500	53,160	6,340
Personal Property Replacement	57,300	57,300	-
Contingency	<u>17,679</u>	<u>-</u>	<u>17,679</u>
Total Expenditures	<u>134,479</u>	<u>110,460</u>	<u>24,019</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	250,521	283,174	32,653
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	<u>(280,000)</u>	<u>(280,000)</u>	<u>-</u>
Total Other Financing Sources	<u>(280,000)</u>	<u>(280,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$ (29,479)</u>	3,174	<u>\$ 32,653</u>
Fund Balance, October 1		<u>30,040</u>	
Fund Balance, September 30		<u>\$ 33,214</u>	

City of Savannah, Missouri
Street Drainage Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$ 1,000	\$ 971	\$ (29)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,000</u>	<u>971</u>	<u>(29)</u>
Expenditures:			
Capital Outlay	147,980	116,014	31,966
Interest	<u>155,000</u>	<u>147,113</u>	<u>7,887</u>
Total Expenditures	<u>302,980</u>	<u>263,127</u>	<u>39,853</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(301,980)	(262,156)	39,824
Other Financing Sources (Uses)			
Transfers In	270,000	270,000	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>270,000</u>	<u>270,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$(31,980)</u>	7,844	<u>\$ 39,824</u>
Fund Balance, October 1		<u>31,980</u>	
Fund Balance, September 30		<u>\$ 39,824</u>	

City of Savannah, Missouri
NID Principal Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Real Estate Taxes	\$ 5,200	\$ 4,525	\$ (675)
Interest	<u>20</u>	<u>7</u>	<u>(13)</u>
Total Revenues	<u>5,220</u>	<u>4,532</u>	<u>(688)</u>
Expenditures:			
Interest	<u>3,100</u>	<u>4,990</u>	<u>(1,890)</u>
Total Expenditures	<u>3,100</u>	<u>4,990</u>	<u>(1,890)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,120	(458)	(2,578)
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$ 2,120</u>	(458)	<u>\$ (2,578)</u>
Fund Balance, October 1		<u>(1,049)</u>	
Fund Balance, September 30		<u>\$ (1,507)</u>	

City of Savannah, Missouri
Tree Board Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$ 45	\$ 28	\$ (17)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>45</u>	<u>28</u>	<u>(17)</u>
Expenditures:			
Capital Outlay	-	-	-
Interest	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	45	28	(17)
Other Financing Sources (Uses)			
Transfers In	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$ 45</u>	28	<u>\$ (17)</u>
Fund Balance, October 1		<u>1,032</u>	
Fund Balance, September 30		<u>\$ 1,060</u>	

City of Savannah, Missouri
Park and Recreation COP P&I
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended September 30, 2008

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Interest	\$ 1,500	\$ 686	\$ (814)
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>1,500</u>	<u>686</u>	<u>(814)</u>
Expenditures:			
Capital Outlay	-	-	-
Interest	<u>37,000</u>	<u>54,070</u>	<u>(17,070)</u>
Total Expenditures	<u>37,000</u>	<u>54,070</u>	<u>(17,070)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(35,500)	(53,384)	(17,884)
Other Financing Sources (Uses)			
Transfers In	60,000	60,000	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>\$ 24,500</u>	6,616	<u>\$(17,884)</u>
Fund Balance, October 1		<u>(17,294)</u>	
Fund Balance, September 30		<u>\$(10,678)</u>	

City of Savannah, Missouri
 Combined Balance Sheet - All Enterprise Funds
 For the Year Ended September 30, 2008

	Combined Water and Wastewater Fund	Cemetery Fund	Landfill Fund	Non Expendable Trust Fund	Duncan Community Development Fund	Golf Course Fund	Clasbey Community Center Fund	Totals (Memorandum Only)
Assets								
Current Assets:								
Cash	\$ 106,883	\$ 37,120	\$ 103,799	\$ 29,306	\$ -	\$ 2,635	\$ -	\$ 279,743
Restricted Cash	1,762,696	-	-	-	-	-	-	1,762,696
Accounts Receivable, net of allowance for doubtful accts	95,986	-	16,256	-	-	-	-	112,242
Interest Receivable	-	359	-	216	-	-	79	654
Investments - at cost	-	48,547	-	159,246	-	-	12,076	219,869
Total Current Assets	<u>1,965,565</u>	<u>86,026</u>	<u>120,055</u>	<u>188,768</u>	<u>-</u>	<u>2,635</u>	<u>12,155</u>	<u>2,375,204</u>
Fixed Assets:								
Property and Equipment	17,702,482	135,607	245,537	268,583	564,672	1,939,084	518,106	21,374,071
Less: Accum Depreciation	(7,385,324)	(111,383)	(222,735)	(180,800)	(249,626)	(1,541,111)	(370,872)	(10,061,851)
Total Fixed Assets	<u>10,317,158</u>	<u>24,224</u>	<u>22,802</u>	<u>87,783</u>	<u>315,046</u>	<u>397,973</u>	<u>147,234</u>	<u>11,312,220</u>
Other Assets:								
Bond Issue Fee, net of amort	6,600	-	-	-	-	-	-	6,600
Total Assets	<u>\$ 12,289,323</u>	<u>\$ 110,250</u>	<u>\$ 142,857</u>	<u>\$ 276,551</u>	<u>\$ 315,046</u>	<u>\$ 400,608</u>	<u>\$ 159,389</u>	<u>\$ 13,694,024</u>
Liabilities and Fund Equity								
Liabilities:								
Current Liabilities:								
Customer Deposits	\$ 80,617	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,617
City Revolving Loan, current	-	-	-	-	-	-	10,395	10,395
Cash Overdraft	106,905	-	-	-	-	-	6,612	113,517
Lease Payable, current	-	-	-	-	-	25,000	-	25,000
Bonds Payable, current	305,000	-	-	-	-	-	-	305,000
Interest Payable	140,525	-	-	-	-	1,062	-	141,587
Total Current Liabilities	<u>633,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,062</u>	<u>17,007</u>	<u>676,116</u>
Long-Term Liabilities:								
City Revolving Loan, less current	-	-	-	-	-	-	-	-
Leases Payable, less current	-	-	-	-	-	-	-	-
Bonds Payable, less current	10,560,165	-	-	-	-	260,541	160,980	421,521
Total Long-Term Liabilities	<u>10,560,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,541</u>	<u>160,980</u>	<u>10,560,165</u>
Total Liabilities	<u>11,193,212</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,603</u>	<u>177,987</u>	<u>11,657,802</u>
Fund Equity:								
Contributed Capital	365,000	-	-	-	-	-	-	365,000
Retained Earnings	1,680,692	-	-	-	-	-	-	1,680,692
Appropriated	(949,581)	110,250	142,857	276,551	315,046	114,005	(18,598)	(9,470)
Unappropriated	1,096,111	110,250	142,857	276,551	315,046	114,005	(18,598)	2,036,222
Total Fund Equity	<u>3,181,222</u>	<u>330,750</u>	<u>387,714</u>	<u>552,602</u>	<u>630,092</u>	<u>338,010</u>	<u>(37,196)</u>	<u>4,103,224</u>
Total Liabilities and Fund Equity	<u>\$ 12,289,323</u>	<u>\$ 110,250</u>	<u>\$ 142,857</u>	<u>\$ 276,551</u>	<u>\$ 315,046</u>	<u>\$ 400,608</u>	<u>\$ 159,389</u>	<u>\$ 13,694,024</u>

City of Savannah, Missouri
 Combined Balance Sheet - All Enterprise Funds
 For the Year Ended September 30, 2008

	Water Fund	Bond and Interest Fund	Wastewater Fund	Wastewater Construction Fund	Water Construction Fund	Utility Deposit Fund	Totals (Memorandum Only)
Assets							
Current Assets:							
Cash	\$ 106,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,883
Accounts Receivable, net of allowance for doubtful accts	52,283	-	43,703	-	-	-	95,986
Restricted Assets:							
Cash	-	769,213	-	1,387	899,190	92,906	1,762,696
Total Current Assets	<u>159,166</u>	<u>769,213</u>	<u>43,703</u>	<u>1,387</u>	<u>899,190</u>	<u>92,906</u>	<u>1,965,565</u>
Fixed Assets:							
Property and Equipment	4,882,032	-	2,824,219	2,484,883	7,511,348	-	17,702,482
Less: Accum Depreciation	(3,993,297)	-	(2,781,271)	(665,181)	(245,575)	-	(7,385,324)
Total Fixed Assets	<u>1,188,735</u>	<u>-</u>	<u>42,948</u>	<u>1,819,702</u>	<u>7,265,773</u>	<u>-</u>	<u>10,317,158</u>
Other Assets:							
Bond Issue Fee, net of amort	-	-	-	3,000	3,600	-	6,600
Total Assets	<u>\$ 1,347,901</u>	<u>\$ 769,213</u>	<u>\$ 86,651</u>	<u>\$ 1,824,089</u>	<u>\$ 8,168,563</u>	<u>\$ 92,906</u>	<u>\$ 12,289,323</u>
Liabilities and Fund Equity							
Liabilities:							
Current Liabilities:							
Bonds Payable, current	\$ -	\$ 285,000	\$ -	\$ 20,000	\$ -	\$ -	\$ 305,000
Cash Overdrawn	-	-	106,905	-	-	-	106,905
Customer Deposits	-	-	-	-	-	80,617	80,617
Interest Payable	-	140,525	-	-	-	-	140,525
Total Current Liabilities	<u>-</u>	<u>425,525</u>	<u>106,905</u>	<u>20,000</u>	<u>-</u>	<u>80,617</u>	<u>633,047</u>
Long-Term Liabilities:							
Bonds Payable, less current	-	10,085,165	-	475,000	-	-	10,560,165
Total Long-Term Liabilities	<u>-</u>	<u>10,085,165</u>	<u>-</u>	<u>475,000</u>	<u>-</u>	<u>-</u>	<u>10,560,165</u>
Total Liabilities	<u>-</u>	<u>10,510,690</u>	<u>106,905</u>	<u>495,000</u>	<u>-</u>	<u>80,617</u>	<u>11,193,212</u>
Fund Equity:							
Contributed Capital	365,000	-	-	-	-	-	365,000
Retained Earnings	-	769,213	-	-	899,190	12,289	1,680,692
Appropriated	982,901	(10,510,690)	(20,254)	1,329,089	7,269,373	-	(949,581)
Unappropriated	-	(9,741,477)	(20,254)	1,329,089	8,168,563	12,289	1,096,111
Total Fund Equity	<u>1,347,901</u>	<u>(9,741,477)</u>	<u>(20,254)</u>	<u>1,329,089</u>	<u>8,168,563</u>	<u>12,289</u>	<u>1,096,111</u>
Total Liabilities and Fund Equity	<u>\$ 1,347,901</u>	<u>\$ 769,213</u>	<u>\$ 86,651</u>	<u>\$ 1,824,089</u>	<u>\$ 8,168,563</u>	<u>\$ 92,906</u>	<u>\$ 12,289,323</u>

City of Savannah, Missouri
Statement of Revenues, Expenses and Changes in Retained Earnings -
All Enterprise Funds
For the Year Ended September 30, 2008

	Combined Water and Wastewater Fund	Cemetery Fund	Non Expendable Trust Fund	Landfill Fund	Duncan Community Development Fund	Golf Course Fund	Clasbey Community Center Fund	Totals (Memorandu Only)
Operating Revenues:								
Operations	\$ 1,584,911	\$ 30,550	-	\$ 210,257	-	\$ 141,021	\$ 26,946	\$ 1,993,685
Membership Income	-	-	-	-	-	142,569	-	142,569
Cart Rental & Storage	-	-	-	-	-	118,504	-	118,504
Concessions and Merchandise	-	-	-	-	-	101,100	-	101,100
Grants	-	-	-	9,000	-	-	-	9,000
Miscellaneous	32,419	300	18,114	2,939	-	7,244	-	61,016
Total Operating Revenues	<u>1,617,330</u>	<u>30,850</u>	<u>18,114</u>	<u>222,196</u>	<u>-</u>	<u>510,438</u>	<u>26,946</u>	<u>2,425,874</u>
Operating Expenses:								
Salaries and Wages	200,981	24,543	-	28,348	-	165,933	4,859	424,664
Payroll Taxes	15,159	1,856	-	1,977	-	15,364	342	34,698
Retirement	24,165	1,383	-	2,807	-	11,086	-	39,441
Group Insurance	21,450	4,457	-	8,576	-	20,739	-	55,222
Deductible and coinsurance	387	-	-	839	-	1,286	-	2,512
Sales Tax	4,722	-	-	-	-	4,722	-	4,722
Training	2,186	-	-	-	-	-	-	2,186
Utilities and Telephone	124,668	1,601	-	176	-	12,992	5,637	145,074
Printing and Publications	1,697	2,686	-	7,058	-	3,833	-	5,530
Chemicals, Fuel & Oil	120,859	-	-	1,267	-	66,093	-	196,696
Service Agreement	5,534	-	-	2,361	-	17,994	-	6,801
Repairs and Maintenance	129,132	3,356	-	6,182	-	-	9,195	162,038
Professional Fees	96,418	-	-	1,901	-	-	245	102,845
Postage	7,736	-	-	-	-	-	-	9,637
Dues and Permits	2,257	-	-	-	-	863	-	3,120
Supplies	7,190	-	-	410	-	-	-	7,600
Equipment Rentals	-	-	-	-	-	-	-	11,081
Uniforms	4,080	565	-	1,689	-	1,169	-	7,503
Rock, Spraying and Seeding	3,978	-	-	-	-	1,609	-	5,587
Depreciation and Amortization	534,109	4,446	12,887	11,653	1,724	97,027	17,475	679,121
Insurance	14,850	1,875	-	1,622	-	16,242	1,313	35,902
Operations	12,202	-	-	120,847	-	60,622	-	193,671
Miscellaneous	5,795	95	500	49	-	979	234	7,652
Total Operating Expenses	<u>1,339,555</u>	<u>46,863</u>	<u>13,187</u>	<u>197,762</u>	<u>1,724</u>	<u>504,912</u>	<u>39,300</u>	<u>2,143,303</u>
Operating Income (Loss)	<u>277,775</u>	<u>(16,013)</u>	<u>4,927</u>	<u>24,434</u>	<u>(1,724)</u>	<u>5,526</u>	<u>(12,354)</u>	<u>282,571</u>
Nonoperating Revenues (Expense)								
Donations	-	-	-	-	-	-	-	-
Interest Income	107,192	2,455	7,369	2,517	-	946	614	121,093
Interest Expense	(527,919)	-	-	-	-	(14,405)	-	(542,324)
Total Nonoperating Revenues (Expenses)	<u>(420,727)</u>	<u>2,455</u>	<u>7,369</u>	<u>2,517</u>	<u>-</u>	<u>(13,459)</u>	<u>614</u>	<u>(421,231)</u>
Income (Loss) Before Operating Transfers	<u>(142,952)</u>	<u>(13,558)</u>	<u>12,296</u>	<u>26,951</u>	<u>(1,724)</u>	<u>(7,933)</u>	<u>(11,740)</u>	<u>(138,660)</u>
Operating Transfers:								
Operating Transfers In	1,092,240	-	-	10,000	-	15,000	-	1,117,240
Operating Transfers Out	(1,355,707)	-	-	(25,000)	-	(30,000)	-	(1,410,707)
Total Operating Transfers	<u>(263,467)</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>(293,467)</u>
Net Income (Loss)	<u>(406,419)</u>	<u>(13,558)</u>	<u>12,296</u>	<u>11,951</u>	<u>(1,724)</u>	<u>(22,933)</u>	<u>(11,740)</u>	<u>(432,127)</u>
Retained Earnings, Oct 1	<u>1,502,530</u>	<u>123,808</u>	<u>264,255</u>	<u>130,906</u>	<u>316,770</u>	<u>136,938</u>	<u>(6,858)</u>	<u>2,468,349</u>
Retained Earnings, Sept 30	<u>\$ 1,096,111</u>	<u>\$ 110,250</u>	<u>\$ 276,551</u>	<u>\$ 142,857</u>	<u>\$ 315,046</u>	<u>\$ 114,005</u>	<u>\$ (18,598)</u>	<u>\$ 2,036,222</u>

City of Savannah, Missouri
**Statement of Revenues, Expenses and Changes in Retained Earnings -
 Waterworks and Wastewater Funds**
 For the Year Ended September 30, 2008

	Water Fund	Bond and Interest Fund	Wastewater Fund	Wastewater Construction Fund	Water Construction Fund	Utility Deposit Fund	Totals (Memorandum Only)
Operating Revenues:							
Operations	\$ 1,002,601	-	\$ 582,310	-	-	-	\$ 1,584,911
Miscellaneous	6,831	-	-	-	25,588	-	32,419
Total Operating Revenues	<u>1,009,432</u>	<u>-</u>	<u>582,310</u>	<u>-</u>	<u>25,588</u>	<u>-</u>	<u>1,617,330</u>
Operating Expenses:							
Salaries and Wages	129,443	-	71,538	-	-	-	200,981
Payroll Taxes	9,710	-	5,449	-	-	-	15,159
Retirement	14,868	-	9,297	-	-	-	24,165
Group Insurance	19,106	-	2,344	-	-	-	21,450
Deductible and coinsurance	387	-	-	-	-	-	387
Sales Tax	4,722	-	-	-	-	-	4,722
Training	1,258	-	928	-	-	-	2,186
Uniforms	2,674	-	1,406	-	-	-	4,080
Postage	3,868	-	3,868	-	-	-	7,736
Utilities	63,368	-	61,300	-	-	-	124,668
Service Agreement	2,767	-	2,767	-	-	-	5,534
Chemicals, Fuel and Oil	112,122	-	8,737	-	-	-	120,859
Rock, Spraying and Seeding	3,978	-	-	-	-	-	3,978
Repairs and Maintenance	43,695	-	83,348	-	2,089	-	129,132
Supplies	4,457	-	2,733	-	-	-	7,190
Professional Fees	2,033	-	2,583	-	91,802	-	96,418
Printing and Publications	1,277	-	420	-	-	-	1,697
Insurance	9,514	-	5,336	-	-	-	14,850
Dues and Permits	2,137	-	120	-	-	-	2,257
Operations	5,391	-	6,811	-	-	-	12,202
Depreciation and Amortization	132,595	-	113,601	99,729	188,184	-	534,109
Miscellaneous	4,965	-	830	-	-	-	5,795
Total Operating Expenses	<u>574,335</u>	<u>-</u>	<u>383,416</u>	<u>99,729</u>	<u>282,075</u>	<u>-</u>	<u>1,339,555</u>
Operating Income (Loss)	435,097	-	198,894	(99,729)	(256,487)	-	277,775
Nonoperating Revenues (Expense)							
Interest Income	3,903	9,503	1,530	3	89,807	2,446	107,192
Interest Expense	-	(527,919)	-	-	-	-	(527,919)
Total Nonoperating Revenues (Expenses)	<u>3,903</u>	<u>(518,416)</u>	<u>1,530</u>	<u>3</u>	<u>89,807</u>	<u>2,446</u>	<u>(420,727)</u>
Income (Loss) Before Operating Transfers	439,000	(518,416)	200,424	(99,726)	(166,680)	2,446	(142,952)
Operating Transfers:							
Operating Transfers In	150,000	888,200	-	44,040	-	-	1,082,240
Operating Transfers Out	(763,600)	-	(568,640)	(23,467)	-	-	(1,355,707)
Total Operating Transfers	<u>(613,600)</u>	<u>888,200</u>	<u>(568,640)</u>	<u>20,573</u>	<u>-</u>	<u>-</u>	<u>(263,467)</u>
Net Income (Loss)	(174,600)	379,784	(368,216)	(79,153)	(166,680)	2,446	(406,419)
Retained Earnings, Oct 1	<u>1,522,501</u>	<u>(10,121,261)</u>	<u>347,962</u>	<u>1,408,242</u>	<u>8,335,243</u>	<u>9,843</u>	<u>1,502,530</u>
Retained Earnings, Sept 30	<u>\$ 1,347,901</u>	<u>\$ (9,741,477)</u>	<u>\$ (20,254)</u>	<u>\$ 1,329,089</u>	<u>\$ 8,168,563</u>	<u>\$ 12,289</u>	<u>\$ 1,096,111</u>

City of Savannah, Missouri
Combined Statement of Cash Flows - Waterworks and Wastewater Funds
For the Year Ended September 30, 2008

	Water Fund	Bond and Interest Fund	Wastewater Fund	Wastewater Construction Fund	Water Construction Fund	Utility Deposit Fund	Totals
Cash Flows from Operating Activities:							
Operating Income (Loss)	\$ 435,097	-	\$ 198,894	\$(99,729)	\$ (256,487)	-	\$ 277,775
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:							
Depreciation and Amortization	132,595	-	113,601	99,729	188,184	-	534,109
Changes in Assets and Liabilities:							
(Increase) decrease in Accts Receivable	7,026	-	11,682	-	-	-	18,708
Increase (decrease) in Customer Deposits	-	-	-	-	-	2,393	2,393
Increase (decrease) in Accrued Interest	-	17,732	-	-	-	-	17,732
Total Adjustments	<u>139,621</u>	<u>17,732</u>	<u>125,283</u>	<u>99,729</u>	<u>188,184</u>	<u>2,393</u>	<u>572,942</u>
Net Cash Provided by (Used for) Operating Activities	<u>574,718</u>	<u>17,732</u>	<u>324,177</u>	<u>-</u>	<u>(68,303)</u>	<u>2,393</u>	<u>850,717</u>
Cash Flows from Noncapital Financing Activities:							
Operating Transfers In	150,000	898,200	-	44,040	-	-	1,092,240
Operating Transfers Out	<u>(763,600)</u>	<u>-</u>	<u>(568,640)</u>	<u>(23,467)</u>	<u>-</u>	<u>-</u>	<u>(1,355,707)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(613,600)</u>	<u>898,200</u>	<u>(568,640)</u>	<u>20,573</u>	<u>-</u>	<u>-</u>	<u>(263,467)</u>
Cash Flows from Capital and Related Financing Activities:							
Purchase of Equipment	(8,352)	(3,245,152)	(6,328)	-	(5,199,707)	-	(8,459,539)
Principal Paid on Bonds and Lease	-	(398,585)	-	(20,000)	-	-	(418,585)
Interest Paid on Bonds and Lease	-	(527,919)	-	-	-	-	(527,919)
Net Cash Used for Capital and Related Financing Activities	<u>(8,352)</u>	<u>(4,171,656)</u>	<u>(6,328)</u>	<u>(20,000)</u>	<u>(5,199,707)</u>	<u>-</u>	<u>(9,406,043)</u>
Cash Flows from Investing Activities:							
Interest on Investments	3,903	9,503	1,530	3	89,807	2,446	107,192
Purchase of Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by (Used for) Investing Activities	<u>3,903</u>	<u>9,503</u>	<u>1,530</u>	<u>3</u>	<u>89,807</u>	<u>2,446</u>	<u>107,192</u>
Net Increase (Decrease) in Cash and Restricted Cash	<u>(43,331)</u>	<u>(3,246,221)</u>	<u>(249,261)</u>	<u>576</u>	<u>(5,178,203)</u>	<u>4,839</u>	<u>(8,711,601)</u>
Cash and Cash Equivalents, October 1	<u>150,214</u>	<u>4,015,434</u>	<u>142,356</u>	<u>811</u>	<u>6,077,393</u>	<u>88,067</u>	<u>10,474,275</u>
Cash and Cash Equivalents, September 30	<u>\$ 106,883</u>	<u>\$ 769,213</u>	<u>\$ (106,905)</u>	<u>\$ 1,387</u>	<u>\$ 899,190</u>	<u>\$ 92,906</u>	<u>\$ 1,762,674</u>

CITY OF SAVANNAH, MISSOURI
YELLOW BOOK COMPLIANCE SECTION
SEPTEMBER 30, 2008



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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Mayor and
Members of the Board of Aldermen
City of Savannah, Missouri 64485

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Savannah, Missouri as of and for the year ended September 30, 2008, which collectively comprise the City of Savannah Missouri's basic financial statements and have issued my report thereon dated January 9, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Cities ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Cities financial statements that is more than inconsequential will not be prevented or detected by the Cities internal control.

**Independent Auditor's Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government
Auditing Standards***

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Savannah, Missouri's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

Kevin G. Hudson, C.P.A.

Kevin G. Hudson, C.P.A.
Certified Public Accountant
January 9, 2009