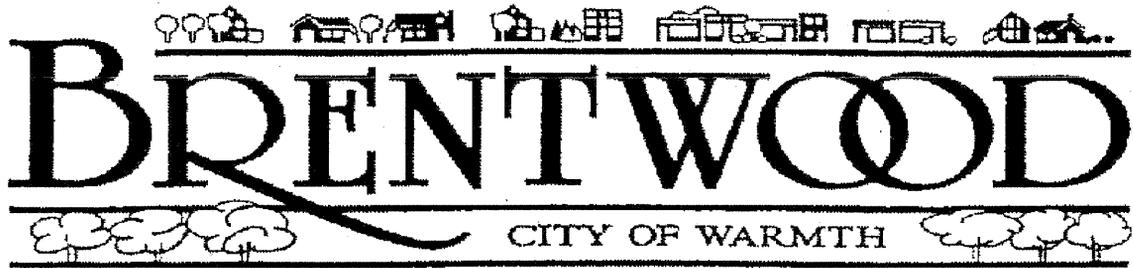


CITY OF BRENTWOOD, MISSOURI



COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006

CITY OF BRENTWOOD, MISSOURI

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT***

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2006

PREPARED BY THE CITY CLERK/ADMINISTRATOR
AND FINANCE OFFICER

CITY OF BRENTWOOD, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

CITY OF BRENTWOOD, MISSOURI
PRINCIPAL CITY OFFICIALS

Elected Officials

Terms

Charles Patrick Kelly
Mayor

April 2005 - April 2007

Barbara Cross
Aldерwoman Ward 1

April 2005 - April 2007

Barbara Clements
Aldерwoman Ward 1

April 2006 - April 2008

Lee Wynn
Alderman Ward 2

April 2005 - April 2007

Michael Marshall
Alderman Ward 2

April 2006 - April 2008

Keith Robertson
Alderman Ward 3

April 2005 - April 2007

Andrew Leahy
Alderman Ward 3

April 2006 - April 2008

Thomas Kramer
Alderman Ward 4

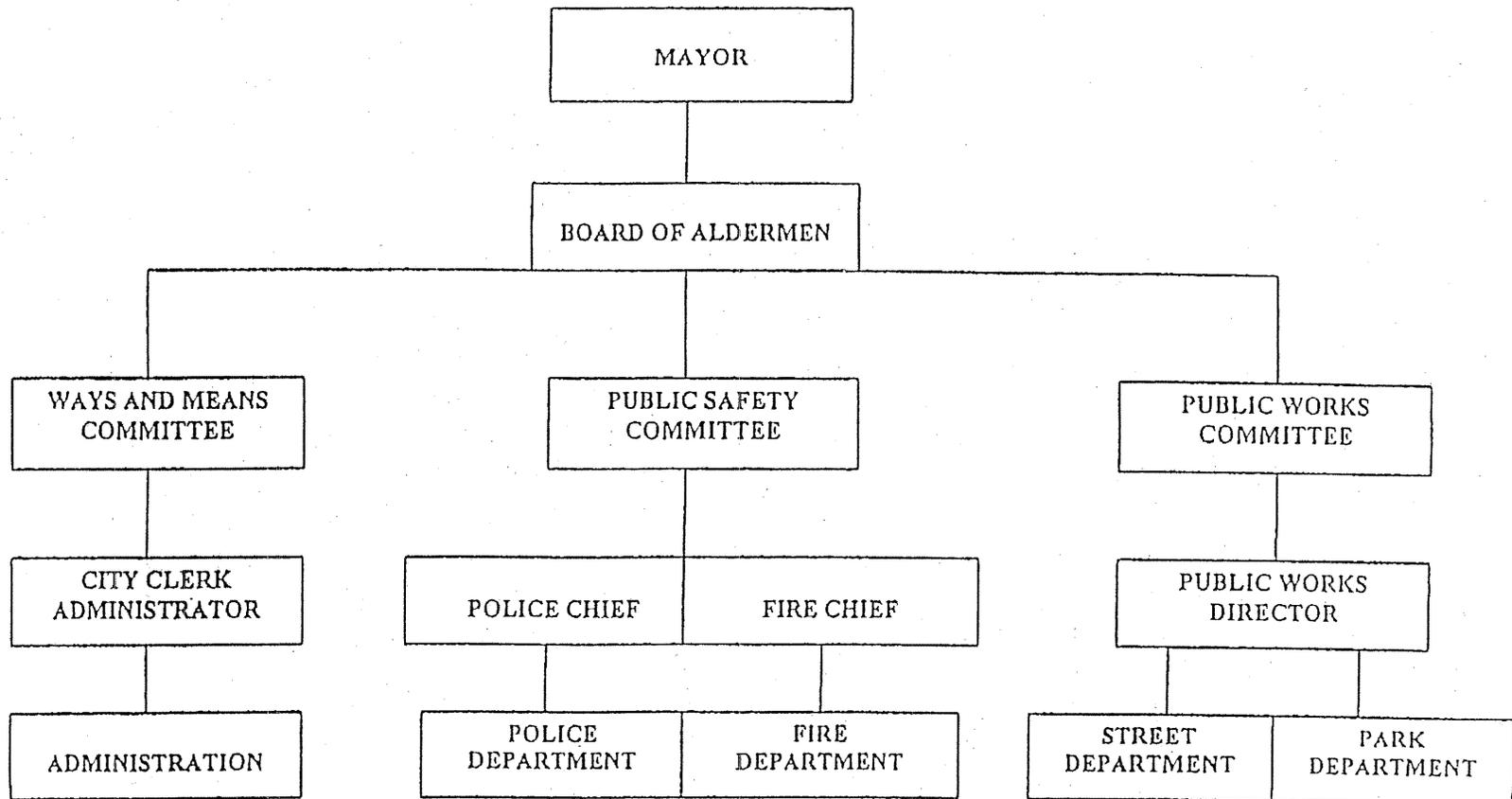
April 2005 - April 2007

Lorraine Krewson
Aldерwoman Ward 4

April 2006 - April 2008

CITY OF BRENTWOOD, MISSOURI

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Brentwood
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

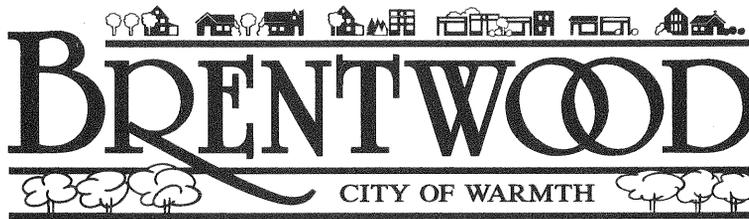


A handwritten signature in black ink, appearing to read "Ronald J. Hawn".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



2348 Brentwood Blvd. • Brentwood, MO 63144
(314) 962-4800 • FAX (314) 962-0819

June 27, 2007

The Honorable Mayor and Board of Aldermen,
and Citizens of Brentwood, Missouri

State law and local ordinances require that all general purpose local governments publish a complete set of financial statements presented in conformance with U.S. generally accepted accounting principles (GAAP) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to the requirement, we hereby issue the comprehensive annual financial report of the City of Brentwood, Missouri (the City), for the fiscal year ended December 31, 2006.

Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Hochschild, Bloom & Company LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City for the year ended December 31, 2006, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall basic financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2006, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

PROFILE OF THE CITY

Established in the early 1800s, the City was known as Maddenville and governed by a Board of Trustees. The City received its current name and became incorporated in 1919. The City covers approximately 2.6 miles. The City is a small city with a population of 7,693.

The City is a fourth class city and is governed under the City Administrator form of government. The legislative body is comprised of the Mayor and an eight member Board of Aldermen. Two aldermen are elected from each of the City's four wards to serve two-year terms, one half of which expire annually.

The City is located within suburban St. Louis County with easy access to Highway 40 (I-64), the Innerbelt (Highway 170), and Interstate Highway 44. The City is within fifteen minutes of the Lambert - St. Louis International Airport and within ten minutes of the downtown business and industrial heart of St. Louis. Moreover, it is just five minutes from the St. Louis County Government offices located in Clayton. This location helps to make the City a sought after place in which to live and to operate a business.

ECONOMIC CONDITION

Since mid-2004 we have seen a slow but steady increase in the total sales in the City, ranging from 3% to 5%. While we cannot predict that the trend will continue, we can be sure that we have set ourselves up to reap the benefits in good economies and weather the storm during the economic downturns. One aspect that will certainly help in down economies is building our cash reserves to a level sufficient to support our services.

MAJOR INITIATIVES

A highlight of 2006 was the groundbreaking for the Hanley Station project. When complete, the development will boast 150 condominiums, a hotel, three to four restaurants and approximately 10,000 square foot of retail. The project also completes the Strassner Road extension from Brentwood Blvd. to Hanley Road.

The first event scheduled for 2007 is the opening of the Houlihans Restaurant in January in the new Hanley Station Development. We expect several more openings throughout 2007, including the new Strassner Road extension to Hanley Road. This project will be completed by late 2007 or early 2008.

A major project for the City and the St. Louis region is, of course, the start of the reconstruction of I-64. In 2007 the I-170 and 64 interchange improvements will begin. This will be the single most important traffic improvement in the City in decades. The improvements will remove large amounts of traffic from both Brentwood Blvd. and Eager Road. In 2008 the highway will shut down west of Brentwood Blvd. and reopen in 2009, and then the highway will close east of Brentwood Blvd. and reopen in 2010. The construction plan is probably the best design we could have hoped for. We look forward to the start and completion of these long overdue improvements to I-64, beginning in 2007.

The City will start 2007 with all of the major developments boasting a 100% lease rate. This is important because businesses produce the lion's share of the tax revenue that enable the City to provide superior services to its residents. We look forward to the groundbreaking for the Meridian's Phase Two, which will include an office building and parking garage. We look forward to working with the business community in 2007 to assist them to grow and prosper in the City.

Several storm water projects are planned for 2007, by the City and MSD. The City plans to complete the buyout of the old Children's Aquarium in Hanley Industrial Court and convert the site into park land. This property, located in the floodway is being purchased with the assistance of a grant from SEMA. The City also plans to make improvements to Litzsinger Road between Helen and Louis. The improvements will alleviate storm water problems for area households and widen the narrow road. MSD is tackling large storm sewer and sewer separation projects on Helen Avenue, an area between Eulalie and Rosalie, and several locations in York Woods and the Parkridge area. These are major projects and total funds being appropriated will push ten million dollars! Much of the design work has already begun on these projects and 2007 will see some construction, easement acquisitions, and continued design work. All of these projects should be completed by 2009-2010.

Each department in the City will address needs that will enable them to deliver the services we have come to expect. The fire department will be hiring an additional paramedic in 2007, giving each crew four firefighter paramedics. This will benefit our residents and businesses by providing more medical personnel when needed. The department will also be purchasing life support equipment that replaces older outdated equipment. The police department will continue to update their vehicle fleet and they will be adding video cameras to the cars to help in their law enforcement. They will also be hiring two additional officers whose sole duties will be traffic control. The residents have expressed traffic as one of the major concerns and the City has responded. The department will also be aided by the use of cameras installed at designated intersections to enforce motorist who run red lights. The cameras should be installed by late winter or early spring.

The public works and parks departments have scheduled equipment purchases for 2007 that will update existing inventories. Each of these departments, along with our sanitation department will continue to provide service second to none. The City will also continue to look at the future of our current recreation center. Numerous community surveys conducted over the past ten years have indicated that a different type of facility would be more utilized by our local residents.

Regionally, the housing market has cooled and home prices appear to have leveled off. The infill housing starts in the City continue to grow and 2007 should be no exception. Ten new homes will start to come out of the ground this year on Litzsinger between Annalee and High School Drive. Many other single-family homes are under construction and our Architectural Review Board has already reviewed several more. We anticipate the City to remain a strong housing market in 2007.

LONG-TERM FINANCIAL PLANNING

The largest accomplishment in 2006 was the adoption of the City's Comprehensive Plan. The City committed approximately \$100,000 to this project. Resident and business input was very successful and helped to craft the final document. The new plan will assist the City in determining our course of action for years to come. It ensures smart development while maintaining the character of residential community.

PENSION TRUST FUND OPERATIONS

The uniformed police and fire personnel have a separate pension plan, which continues to show growth. According to the most recent actuarial valuation dated December 31, 2005, the funded ratio is 73.9%. This is an increase of 3.1% over the 2004 funded ratio. This change reflects a higher return on investments due to an increase in the market in 2005.

CASH MANAGEMENT

In order to maximize interest potential, the City's current operating funds held in checking accounts are swept daily into overnight repurchase accounts. The City also has longer-term investments in collateralized certificates of deposit. The investments are held in safekeeping at the various financial institutions trust departments in the City's name. Also in order to obtain the best possible interest rates, the City offers its investments through a competitive bid process to local banks and investment brokerage companies.

RISK MANAGEMENT

The City participates with 22 other area cities in a self-insurance pool. The St. Louis Area Insurance Trust (SLAIT) provides workers' compensation insurance coverage and property and liability insurance coverage. This self-insurance pool has provided cost savings as well as excellent coverage. SLAIT is well funded as is indicated by annual return of premiums from previous years loss control experience. The cities cooperate to minimize cost by holding quarterly safety training meetings for supervisors and employees. The City also has monthly meetings of a safety committee to discuss safety issues. Awards are issued for the best employee submitted safety suggestions.

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Finance Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 2005. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both GAAP and applicable legal requirements. The City received its first Certificate of Achievement award for the fiscal year ended December 31, 1999. A Certificate of

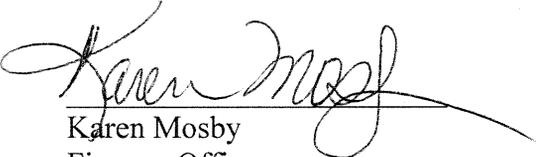
Achievement is valid for a period of only one year. We believe our current report conforms to the Certificate of Achievement programs requirements, and we are submitting it to the GFOA.

ACKNOWLEDGMENTS

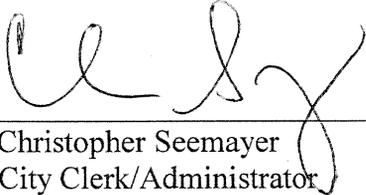
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service and cooperation of the entire administrative staff of the finance, administration, and planning and development departments. Each member of these departments has our sincere appreciation for their contributions made in the preparation of this report. We would also like to acknowledge the assistance of our independent public accountants, Hochschild, Bloom, & Company LLP, in formulating this report.

In closing, without the support of the Mayor and Board of Aldermen, preparation of this report would not have been possible.

Respectfully submitted,



Karen Mosby
Finance Officer



Christopher Seemayer
City Clerk/Administrator

FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

June 27, 2007

Honorable Mayor and Board of Aldermen
CITY OF BRENTWOOD, MISSOURI

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF BRENTWOOD, MISSOURI** (the City) as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

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In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2007 on our consideration of the City's internal control over financial reporting on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and other supplemental information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and, therefore, express no opinion thereon.

Hochschild, Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

CITY OF BRENTWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006

This section of the City of Brentwood, Missouri's (the City) financial report presents an easily readable analysis of the City's financial activities based on currently known facts, decisions, and conditions. We encourage readers to consider the information presented here in conjunction with additional information, which is furnished in our letter of transmittal. For a comprehensive understanding of the financial statements, please review the City's financial statements, including the footnotes that follow the Management's Discussion and Analysis (MD&A).

FINANCIAL HIGHLIGHTS

On a government-wide basis, the City's total liabilities exceeded its assets for the most recent fiscal year by \$28,165,873.

Governmental activities had net assets of (\$44,978,425). This negative amount is due to tax increment revenue bonds and notes totaling \$46,595,000 outstanding at year-end for development not owned by the City.

The cost of the City's governmental activities was \$20,823,021 in fiscal year 2006.

As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$13,725,631, an increase of \$741,082 in comparison to the prior year. Of this amount, \$3,732,376 or 27% is unreserved funds available for spending at the City's discretion.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,273,493 or 14% of the General Fund expenditures.

The City's total debt decreased by \$591,934 or 1% during the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplemental information and other supplemental information in addition to the basic financial statements.

Government-wide Financial Statements

The first set of financial statements are the government-wide statements which report information about the City as a whole using accounting methods similar to those used by private-sector business. The two government-wide statements, statement of net assets and statement of activities, report the City's net assets and how they have changed.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

CITY OF BRENTWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006

The statement of net assets also provides information on unrestricted and restricted net assets and net assets invested in capital assets, net of related debt.

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

The statement of activities presents the various functions of the City and the degree by which they are supported by charges for services, federal and state grants, tax revenues, and investment income.

The government activities of the City include administrative, police, fire, public works, planning and development, sanitation, building maintenance, recreation, community services, legislative, judicial, municipal operating, economic development, library as well as interest and fiscal charges. The City does not have any business-type activities.

The government-wide financial statements can be found on pages 12 and 13 of this report.

Fund Financial Statements. The second set of statements are fund financial statements, which provide information about groupings of related accounts which are used to maintain control over resources for specific activities or objectives. The City uses fund accounting to demonstrate compliance with finance-related legal requirements. The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. The funds of the City can be divided into the following two categories: governmental fund and fiduciary funds. It should be noted that the City does not have any proprietary funds.

Governmental Funds. Governmental funds tell how general governmental services were financed in the short-term as well as what financial resources remain available for future spending to finance City programs.

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

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

**CITY OF BRENTWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

The City maintains several individual governmental funds according to their type (General, Special Revenue, Debt Service, and Capital Projects Funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Library Fund, Tax Increment Financing District Fund, Brentwood Promenade - Debt Service Fund, and Hanley Strassner Project Fund which are considered to be major funds. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements.

The governmental funds financial statements can be found on pages 14 through 17 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of individuals or units outside of the City. The City is the trustee or fiduciary responsible for assets, which can be used only for the trust beneficiaries per trust arrangements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The City's Pension Trust Fund is reported under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The statements of fiduciary net assets can be found on pages 18 and 19 of this report.

Notes to Financial Statements. The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on page 20 through 43 of this report.

Required Supplemental Information. In addition to the basic financial statements and notes to financial statements, this report presents required supplementary information concerning the City's budgetary comparisons for the General and Library Funds, which can be found on pages 45 through 48 of this report.

Other Supplemental Information. The combining and individual fund statements provide fund level detail for all nonmajor governmental funds and Pension Trust Funds. In addition, schedules of capital assets used in governmental funds are presented. These statements and schedules can be found on pages 53 through 65 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

In compliance with the reporting model required by the Government Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - State and Local Governments*, a comparative analysis of government-wide data is also included in this report.

Net Assets. At the close of the 2006 fiscal year, the City's combined net assets were (\$28,165,873). The governmental activities condensed statement of net assets was as follows:

CITY OF BRENTWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>December 31</u>		<u>2006 Change</u>	
	<u>2006</u>	<u>2005</u>	<u>Amount</u>	<u>Percent</u>
ASSETS				
Current and other assets	\$17,508,213	16,169,435	1,338,778	8.3%
Capital assets, net	<u>11,570,448</u>	<u>12,210,150</u>	<u>(639,702)</u>	(5.2)
Total Assets	<u>29,078,661</u>	<u>28,379,585</u>	<u>699,076</u>	2.5
LIABILITIES				
Long-term debt outstanding	55,381,282	55,791,410	(410,128)	(0.7)
Other liabilities	<u>1,863,252</u>	<u>1,435,414</u>	<u>427,838</u>	29.8
Total Liabilities	<u>57,244,534</u>	<u>57,226,824</u>	<u>17,710</u>	-
NET ASSETS (DEFICIENCY)				
Invested in capital assets, net of related debt	4,767,362	4,995,893	(228,531)	(4.6)
Restricted	12,045,190	11,704,408	340,782	2.9
Unrestricted (deficit)	<u>(44,978,425)</u>	<u>(45,547,540)</u>	<u>569,115</u>	1.2
Total Net Deficiency	<u>(\$28,165,873)</u>	<u>(28,847,239)</u>	<u>681,366</u>	2.4%

As shown in the above schedule, the liabilities exceeded assets by (\$28,165,873) at the close of the current year. This deficit balance is due to the City's tax increment financing (TIF) long-term debt which is due in more than one year, and which will be paid out of TIF revenue. The TIF debt is not a general obligation of the City and, as was noted under the financial highlights, the City does not own the property. It should further be noted that a positive balance in two categories of net assets is shown for the City as a whole.

A portion of the City's net assets reflects its investment of \$4,767,362 in capital assets (e.g., land, buildings, and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

Changes in Net Assets. The City's total revenue on a government-wide basis was \$21,504,387, an increase over the prior year of \$267,151 or 1%. In the current year, taxes represent 85% of the City's revenue and charges for services represent 10%. The remainder is fines and forfeitures, interest earnings, assessments, state and federal aid (intergovernmental), and other miscellaneous revenues.

The total cost of all programs and services was \$20,823,021. The City's expenses cover a range of typical City services. The largest programs were public safety (police and fire) and economic development.

CITY OF BRENTWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006

Governmental Activities. Governmental activities increased the City's net assets by \$681,366. Key elements of this are as follows:

	For The Years		2006 Change	
	Ended December 31		Amount	Percent
	2006	2005		
REVENUES				
Program revenues:				
Charges for services	\$ 2,093,146	1,859,319	233,827	12.6%
Operating grants and contributions	688,991	576,655	112,336	19.5
Capital grants and contributions	16,100	-	16,100	100.0
General revenues:				
Taxes	18,137,213	18,233,675	(96,462)	(0.5)
Investments income	464,665	310,453	154,212	49.7
Miscellaneous	<u>104,272</u>	<u>257,134</u>	<u>(152,862)</u>	<u>(59.4)</u>
Total Revenues	<u>21,504,387</u>	<u>21,237,236</u>	<u>267,151</u>	1.3
EXPENSES				
Administrative	635,885	560,706	75,179	13.4
Police	2,584,987	2,441,618	143,369	5.9
Fire	2,000,789	1,898,674	102,115	5.4
Public works	1,219,086	1,088,749	130,337	12.0
Planning and development	223,760	248,717	(24,957)	(10.0)
Sanitation	641,898	511,893	130,005	25.4
Building maintenance	123,143	119,106	4,037	3.4
Recreation	1,449,934	1,335,594	114,340	8.6
Community services	174,835	223,544	(48,709)	(21.8)
Legislative	67,690	65,470	2,220	3.4
Judicial	92,993	86,437	6,556	7.6
Municipal operating	3,245,630	3,219,809	25,821	0.8
Library	544,685	574,016	(29,331)	(5.1)
Economic development	5,007,123	86,284	4,920,839	5,703.1
Intergovernmental	248,495	-	248,495	100.0
Interest on long-term debt	<u>2,562,088</u>	<u>2,869,394</u>	<u>(307,306)</u>	<u>(10.7)</u>
Total Expenses	<u>20,823,021</u>	<u>15,330,011</u>	<u>5,493,010</u>	35.8
CHANGE IN NET ASSETS	681,366	5,907,225	(5,225,859)	(88.5)
NET DEFICIENCY, JANUARY 1	<u>(28,847,239)</u>	<u>(34,754,464)</u>	<u>5,907,225</u>	16.9
NET DEFICIENCY, DECEMBER 31	<u>(\$28,165,873)</u>	<u>(28,847,239)</u>	<u>681,366</u>	2.4%

CITY OF BRENTWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006

SIGNIFICANT CHANGES IN NET ASSETS

The increase in net assets is largely due to interest, which decreased by \$307,306 due to paying down of TIF debt. Economic development increased \$4,920,839 due to the issuance of TIF notes for the Hanley Strassner Project. Intergovernmental expense increased by \$248,495 due to reimbursing various entities for TIF Pilots not needed to pay TIF debt payment. Planning and development expense was decreased by \$24,957 due to reorganization of the department. Community services decreased due to the comprehensive plan expense paid in 2005.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$1,273,493. This amount represents the total fund balance, as at this time, there are no funds allocated as reserved funds other than \$90 for prepaid items.

The fund balance in the City's General Fund increased by \$457,768 or 56% from the prior year's fund balance. The change of the current fiscal year's fund balance is mainly due to:

1. Sales tax was up due to businesses opening.
2. License fees were up due to an increased business license fee structure.
3. Miscellaneous income increased over \$200,000 due to a refund of surplus municipal revenues in the Brentwood Square TIF.

The fund balance for the Library Fund decreased \$37,095. This decrease was due to taxes being lower than anticipated.

Fiduciary Funds. The City maintains Fiduciary Funds for the assets of the uniformed personnel through the Police and Firemen's Retirement Fund Plan. As of the end of the current fiscal year ending December 31, 2006, the net assets of the Pension Fund totaled \$19,622,386. This represents an increase of \$1,686,779 in total net assets over the last fiscal year. This change is primarily due to increases in the market value of the Pension Fund's investments.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget for the City's General Fund expenditures for the fiscal year ending December 31, 2006, was \$9,017,825. The General Fund ended the year with an operating balance of \$457,768.

CITY OF BRENTWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006

Capital Assets. The City invested \$377,386 in a broad range of capital assets, including buildings, park facilities, and vehicles. This amount represents a net decrease for the current fiscal year (including additions and deletions) of \$639,702.

Capital assets, net of depreciation, were as follows:

	<u>December 31</u>	
	<u>2006</u>	<u>2005</u>
Land	\$ 3,159,163	3,159,163
Construction in progress	88,305	90,197
Buildings and other improvements	4,130,431	4,309,974
Machinery and equipment	1,114,352	1,282,764
Vehicles	850,468	819,846
Infrastructure	<u>2,227,729</u>	<u>2,548,206</u>
Total	<u>\$11,570,448</u>	<u>12,210,150</u>

All depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures.

In April 2007, the City approved the purchase of property for \$1,600,000.

Additional information on the City's capital assets can be found in Note D found on pages 30 and 31 of this report.

Long-term Debt. At the end of the fiscal year 2006, the City has outstanding long-term debt obligations for governmental activities in the amount of \$53,416,249 compared to \$54,020,000 in fiscal year 2005. Of this amount, \$61,249 is capital lease payable, \$2,475,000 are general obligation bonds, \$4,285,000 are certificates of participation, \$5,000,000 are tax increment revenue notes, and \$41,595,000 are tax increment revenue bonds.

The City's governmental activities outstanding long-term debt obligations is detailed below:

	<u>December 31</u>		<u>Change</u>
	<u>2006</u>	<u>2005</u>	
Capital lease	\$ 61,249	-	100.0%
General obligation bonds	2,475,000	2,825,000	(12.4)
Certificates of participation	4,285,000	4,535,000	(5.5)
Tax increment revenue notes	5,000,000	-	100.0
Tax increment revenue bonds	<u>41,595,000</u>	<u>46,660,000</u>	(10.9)
Total	<u>\$53,416,249</u>	<u>54,020,000</u>	(1.1%)

**CITY OF BRENTWOOD, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

State statutes limit the amount of general obligation debt a government entity may issue to 10% of its total assessed valuation. The City's authorized debt limit for fiscal year 2006 was \$26,668,475. As is shown in this bond indebtedness schedule, the City is well under this limit.

The City's underlying general obligation credit rating by Moody's Investor's Service, Inc. as of December 31, 2006 was Aa.

Additional information on the City's long-term debt can be found in Note C found on pages 27 through 30 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The fiscal year 2007 General Fund budget is \$9,617,597, an increase of 6.53 % over the 2006 budget appropriation.

This increase in budget is due to court fines increasing. The police department hired two additional officers whose sole duties are traffic control. Cameras have also been installed at designated intersections to enforce motorist who run red lights.

Areas of increase within the General Fund include pay raises, employee benefits, fuel, and insurance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Brentwood
Department of Finance
2348 South Brentwood Blvd.
Brentwood, MO 63144
314-962-4800

CITY OF BRENTWOOD, MISSOURI

STATEMENT OF NET ASSETS

DECEMBER 31, 2006

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 2,250,833
Investments	931,695
Receivables (net of allowances for uncollectibles):	
Property taxes	2,635,885
Other	2,033,805
Prepaid items	185,628
Bond issue costs	738,980
Restricted assets	7,018,788
Net pension asset	1,712,599
Capital assets:	
Land and construction in progress	3,247,468
Other capital assets, net of accumulated depreciation	8,322,980
Total Assets	<u>29,078,661</u>
LIABILITIES	
Accounts payable	71,925
Accrued interest payable	768,545
Deposits payable	45,854
Due to Fiduciary Fund	493,056
Funds held for others	483,872
Noncurrent liabilities:	
Due within one year	6,274,592
Due in more than one year	49,106,690
Total Liabilities	<u>57,244,534</u>
NET ASSETS (DEFICIENCY)	
Invested in capital assets, net of related debt	4,767,362
Restricted for:	
Debt service	9,591,369
Library	559,546
Capital projects	1,894,275
Unrestricted (deficit)	<u>(44,978,425)</u>
Total Net Deficiency	<u>\$ (28,165,873)</u>

CITY OF BRENTWOOD, MISSOURI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net Revenues (Expenses) And Changes In Net Assets Primary Government	
		Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Governmental Activities
Primary Government					
Governmental Activities					
Administrative	\$ 635,885	11,253	-	-	(624,632)
Police	2,584,987	607,309	4,431	-	(1,973,247)
Fire	2,000,789	220,392	-	-	(1,780,397)
Public works	1,219,086	79,065	660,362	-	(479,659)
Planning and development	223,760	218,352	-	-	(5,408)
Sanitation	641,898	31,772	18,217	-	(591,909)
Building maintenance	123,143	-	-	-	(123,143)
Recreation	1,449,934	915,218	-	16,100	(518,616)
Community services	174,835	-	-	-	(174,835)
Legislative	67,690	-	-	-	(67,690)
Judicial	92,993	-	-	-	(92,993)
Municipal operating	3,245,630	-	-	-	(3,245,630)
Library	544,685	9,785	5,981	-	(528,919)
Economic development	5,007,123	-	-	-	(5,007,123)
Intergovernmental	248,495	-	-	-	(248,495)
Interest on long-term debt	2,562,088	-	-	-	(2,562,088)
Total Governmental Activities	<u>\$ 20,823,021</u>	<u>2,093,146</u>	<u>688,991</u>	<u>16,100</u>	<u>(18,024,784)</u>
General Revenues					
Taxes:					
Sales tax					12,550,558
Property taxes					3,368,671
Utility taxes					1,041,958
Other					1,176,026
Investment income					464,665
Miscellaneous					104,272
Total General Revenues					<u>18,706,150</u>
CHANGE IN NET ASSETS					681,366
NET DEFICIENCY, JANUARY 1					<u>(28,847,239)</u>
NET DEFICIENCY, DECEMBER 31					<u>\$ (28,165,873)</u>

See notes to financial statements

CITY OF BRENTWOOD, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	<u>General</u>	<u>Library</u>	<u>Tax Increment Financing District</u>	<u>Brentwood Promenade - Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash	\$ 214,329	186,961	1,385,439	-	464,104	2,250,833
Investments	741,662	190,033	-	-	-	931,695
Receivables:						
Property taxes	103,612	183,682	1,825,165	-	523,426	2,635,885
Other	1,348,952	-	-	-	684,853	2,033,805
Prepaid items	90	-	-	-	-	90
Restricted assets	-	-	33,834	320,921	6,664,033	7,018,788
Due from other funds	233	21,331	469,443	-	4,088,980	4,579,987
	<u>233</u>	<u>21,331</u>	<u>469,443</u>	<u>-</u>	<u>4,088,980</u>	<u>4,579,987</u>
Total Assets	<u>\$ 2,408,878</u>	<u>582,007</u>	<u>3,713,881</u>	<u>320,921</u>	<u>12,425,396</u>	<u>19,451,083</u>
 LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 71,925	-	-	-	-	71,925
Deposits payable	45,854	-	-	-	-	45,854
Deferred revenues	15,196	26,939	-	-	8,623	50,758
Due to other funds	1,002,320	-	3,230,009	-	840,714	5,073,043
Funds held for others	-	-	483,872	-	-	483,872
	<u>-</u>	<u>-</u>	<u>483,872</u>	<u>-</u>	<u>-</u>	<u>483,872</u>
Total Liabilities	<u>1,135,295</u>	<u>26,939</u>	<u>3,713,881</u>	<u>-</u>	<u>849,337</u>	<u>5,725,452</u>
 Fund Balances						
Reserved for:						
Prepaid items	90	-	-	-	-	90
Debt service	-	-	-	320,921	9,672,244	9,993,165
Unreserved:						
General Fund	1,273,493	-	-	-	-	1,273,493
Special Revenue Fund	-	555,068	-	-	-	555,068
Capital Projects Funds	-	-	-	-	1,903,815	1,903,815
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,903,815</u>	<u>1,903,815</u>
Total Fund Balances	<u>1,273,583</u>	<u>555,068</u>	<u>-</u>	<u>320,921</u>	<u>11,576,059</u>	<u>13,725,631</u>
Total Liabilities And Fund Balances	<u>\$ 2,408,878</u>	<u>582,007</u>	<u>3,713,881</u>	<u>320,921</u>	<u>12,425,396</u>	<u>19,451,083</u>

See notes to financial statements

CITY OF BRENTWOOD, MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2006

Total Fund Balances - Governmental Funds	\$ 13,725,631
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. The cost of the assets is \$20,236,536 and the accumulated depreciation is \$8,666,088.	11,570,448
Prepaid assets used in governmental activities are not financial resources if they expire after 30 days and, therefore, are not reported in the funds.	185,538
Net pension assets are not financial resources and, therefore, are not reported in the funds.	1,712,599
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	50,758
Certain long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:	
Accrued interest payable	(768,545)
Compensated absences	(2,173,382)
Bonds, notes payable, and capital lease obligations outstanding	(53,207,900)
Unamortized bond issuance cost	738,980
	738,980
Net Deficiency Of Governmental Activities	\$ (28,165,873)

CITY OF BRENTWOOD, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	General	Library	Tax Increment Financing District	Brentwood Promenade - Debt Service	Hanley Strassner Project	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 5,656,559	377,181	7,692,222	-	-	3,849,884	17,575,846
Licenses and permits	1,394,378	-	-	-	-	-	1,394,378
Fines and forfeitures	433,514	-	-	-	-	-	433,514
Intergovernmental	84,948	5,981	-	-	-	-	90,929
Charges for services	1,155,233	9,785	-	-	-	-	1,165,018
Assessments	-	-	-	-	-	69,752	69,752
Investment income	93,003	13,058	2,361	31,504	-	324,739	464,665
Miscellaneous	559,748	1,275	-	-	-	-	561,023
Total Revenues	<u>9,377,383</u>	<u>407,280</u>	<u>7,694,583</u>	<u>31,504</u>	<u>-</u>	<u>4,244,375</u>	<u>21,755,125</u>
EXPENDITURES							
Current:							
Administrative	590,299	-	-	-	-	-	590,299
Police	2,341,218	-	-	-	-	-	2,341,218
Fire	1,801,490	-	-	-	-	-	1,801,490
Public works	661,747	-	-	-	-	-	661,747
Planning and development	218,630	-	-	-	-	-	218,630
Sanitation	469,251	-	-	-	-	-	469,251
Building maintenance	63,546	-	-	-	-	-	63,546
Community services	174,835	-	-	-	-	-	174,835
Legislative	67,690	-	-	-	-	-	67,690
Judicial	88,267	-	-	-	-	-	88,267
Municipal operating	2,598,805	-	50,826	-	-	1,010,285	3,659,916
Library	-	417,592	-	-	-	-	417,592
Economic development	-	-	-	-	5,000,000	7,123	5,007,123
Intergovernmental	-	-	-	-	-	521,213	521,213
Capital outlay	-	-	-	-	-	2,053,482	2,053,482
Debt service:							
Principal	-	-	-	1,400,000	-	4,265,000	5,665,000
Interest and fiscal charges	-	-	-	653,297	-	1,636,566	2,289,863
Total Expenditures	<u>9,075,778</u>	<u>417,592</u>	<u>50,826</u>	<u>2,053,297</u>	<u>5,000,000</u>	<u>9,493,669</u>	<u>26,091,162</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>301,605</u>	<u>(10,312)</u>	<u>7,643,757</u>	<u>(2,021,793)</u>	<u>(5,000,000)</u>	<u>(5,249,294)</u>	<u>(4,336,037)</u>
OTHER FINANCING SOURCES (USES)							
Capital lease	-	-	-	-	-	65,956	65,956
Issuance of notes	-	-	-	-	5,000,000	-	5,000,000
Transfers in	145,000	-	-	2,095,572	-	13,478,763	15,719,335
Transfers out	-	(26,783)	(7,643,757)	(114,249)	-	(7,934,546)	(15,719,335)
Sale of capital assets	11,163	-	-	-	-	-	11,163
Total Other Financing Sources (Uses)	<u>156,163</u>	<u>(26,783)</u>	<u>(7,643,757)</u>	<u>1,981,323</u>	<u>5,000,000</u>	<u>5,610,173</u>	<u>5,077,119</u>
NET CHANGE IN FUND BALANCES	457,768	(37,095)	-	(40,470)	-	360,879	741,082
FUND BALANCES, JANUARY 1	815,815	592,163	-	361,391	-	11,215,180	12,984,549
FUND BALANCES, DECEMBER 31	<u>\$ 1,273,583</u>	<u>555,068</u>	<u>-</u>	<u>320,921</u>	<u>-</u>	<u>11,576,059</u>	<u>13,725,631</u>

See notes to financial statements

CITY OF BRENTWOOD, MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

Net Change In Fund Balances - Governmental Funds \$ 741,082

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$772,824) exceeded capital outlays over the capitalization threshold totaling \$361,286 in the current period. (411,538)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 15,980

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations) is to decrease net assets. (228,164)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued:			
Capital lease		(65,956)	
Tax increment revenue notes		(5,000,000)	
Repayments:			
Capital lease		4,707	
Bonds payable		5,665,000	
Amortization		(87,279)	
Accrued compensated absence liability -- net increase		(181,806)	
Net Adjustment		334,666	334,666

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest on bonds	(184,946)	
Prepaid insurance	9,086	
Net pension asset	405,200	
	229,340	229,340

Change In Net Assets Of Governmental Activities \$ 681,366

See notes to financial statements

CITY OF BRENTWOOD, MISSOURI
STATEMENT OF FIDUCIARY NET ASSETS -
PENSION TRUST FUND
DECEMBER 31, 2006

ASSETS

Cash	<u>\$ 438,092</u>
Investments:	
Common stock	8,795,267
Pass-thru securities	3,817,385
U.S. government and agency securities	4,859,443
Money market accounts	<u>1,142,075</u>
Total Investments	<u>18,614,170</u>
Interest receivable	<u>77,068</u>
Due from other funds	<u>493,056</u>
	<u>19,622,386</u>
NET ASSETS	
Held in trust for pension benefits	<u><u>\$ 19,622,386</u></u>

CITY OF BRENTWOOD, MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
PENSION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

ADDITIONS

Investment income:	
Net appreciation in fair value of investments, interest, and dividends	\$ 1,431,220
Less - Investment expense	(140,891)
Total Investment Income	<u>1,290,329</u>
Employer contributions	965,870
Employee contributions	192,760
Total Additions	<u>2,448,959</u>

DEDUCTIONS

Benefits paid	751,654
Professional fees	10,526
Total Deductions	<u>762,180</u>

CHANGE IN NET ASSETS

1,686,779

NET ASSETS, JANUARY 1

17,935,607

NET ASSETS, DECEMBER 31

\$ 19,622,386

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The **CITY OF BRENTWOOD, MISSOURI** (the City) was created in 1919. The City operates under a Mayor/Council form of government and provides the following services: public safety (police and fire), public works, recreation, community development, and general administrative services.

The financial statements of the City have been prepared in conformity with U.S. generally accepted accounting principles (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 accounting policies of the City are described below:

1. Reporting Entity

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

2. Government-wide and Fund Financial Statements

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

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The City reports the following major governmental funds:

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

Library Fund -- The Library Fund is a Special Revenue Fund used to account for special revenues received for the Brentwood Public Library.

Tax Increment Financing District -- The Tax Increment Financing District is a Special Revenue Fund used to account for revenues and expenditures related to specific economic development projects.

Brentwood Promenade - Debt Service -- The Brentwood Promenade - Debt Service is a Debt Service Fund used to account for the accumulation of resources for, and the payment of, Tax Increment Refunding Revenue bonds' principal and interest.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Hanley Strassner Project Fund -- The Hanley Strassner Project Fund is a Capital Projects Fund used to account for improvements to the Hanley Strassner Redevelopment Area.

Additionally, the City reports the following fund types:

Pension Trust Fund -- The Pension Trust Fund is used to account for assets of the Police and Firemen's Pension Trust Fund.

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

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

4. Cash and Investments

The City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, requires that all investments be reported in the financial statements at fair value. Fair value is established as readily determinable current market value for equity and debt securities.

Statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities. The Pension Trust Fund is also authorized to invest in corporate stocks and bonds as allowed by state law.

5. Allowance for Uncollectibles

Other receivables are shown net of an allowance for uncollectibles of \$6,984.

6. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are recorded in the government-wide financial statements and in the fund financial statements if they expire in 30 days.

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Restricted Assets

Certain resources set aside for the payment of construction projects and tax increment financing bonds are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

8. Due To/From Other Funds

Noncurrent portions of long-term interfund loans receivable (reported in "advances to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. Current portions of long-term interfund loans receivable (reported in "due from" asset accounts) are considered "available spendable resources" and are subject to elimination upon consolidation.

9. Capital Assets

Capital assets, which include property, equipment, and infrastructure (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to the implementation of GASB 34 has been reported.

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.

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

Assets	Years
Buildings and other improvements	20 - 50
Machinery and equipment	5 - 30
Vehicles	8
Infrastructure	20

10. Compensated Absences

Earned vacation time is required to be used within one year of accrual. Upon termination, accumulated vacation is generally paid to the employee. Sick leave is generally paid upon termination. The City allows employees to accumulate unused sick leave to a maximum of 120 days (general) and 60 days (fire). A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. 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.

13. Property Tax Revenue

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

Property tax revenue is recognized to the extent it is collected within 60 days after year-end in the fund financial statements. Property taxes not collected within 60 days of year-end are deferred for fund financial statements but are recognized as revenue in the government-wide financial statements.

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

14. Interfund Transactions

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Interfund Transactions (Continued)

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

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

Interfund transfers were used to 1) move revenues from the fund that ordinance or budget requires to collect them to the fund that ordinance or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance capital improvements and other funds in accordance with budgetary authorization, or 3) move revenues in excess of current year expenditures to other funds.

15. Use of Estimates

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

NOTE B - CASH AND INVESTMENTS

1. Deposits

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

At December 31, 2006, the City's bank balances were entirely secured or collateralized with securities held by the City or by its agent in the City's name.

2. Investments

As of December 31, 2006, the City had the following investments:

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

<u>Investments</u>	<u>Fair Market Value</u>	<u>No Maturity</u>	<u>Less Than One Year</u>	<u>1 - 5 Years</u>	<u>6 - 10 Years</u>	<u>More Than 10 Years</u>	<u>Credit Risk</u>
Primary Government							
Repurchase agreement	\$ 3,025,407	-	3,025,407	-	-	-	AAA
Government securities:							
U.S. agencies	4,377,427	-	4,377,427	-	-	-	AAA
Money market funds	2,541,548	2,541,548	-	-	-	-	Not Rated
Certificates of deposit	693,353	-	693,353	-	-	-	N/A
Total Primary Government	<u>10,637,735</u>	<u>2,541,548</u>	<u>8,096,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Fiduciary Funds							
Common stock	8,795,267	8,795,267	-	-	-	-	N/A
Government securities:							
U.S. Treasury notes	2,561,958	-	-	1,361,174	1,200,784	-	AAA
U.S. Treasury notes	1,728,340	-	-	-	1,728,340	-	Not Rated
U.S. Treasury bonds	557,380	-	-	-	-	557,380	AAA
Pass-thru securities	3,288,196	-	-	-	-	3,288,196	AAA
Pass-thru securities	529,189	-	-	-	-	529,189	Not Rated
Mutual fund bonds	11,765	-	-	-	-	11,765	Not Rated
Money market funds	1,142,075	1,142,075	-	-	-	-	Not Rated
Total Fiduciary Investments	<u>18,614,170</u>	<u>9,937,342</u>	<u>-</u>	<u>1,361,174</u>	<u>2,929,124</u>	<u>4,386,530</u>	
Grand Total Investments	<u>\$29,251,905</u>	<u>12,478,890</u>	<u>8,096,187</u>	<u>1,361,174</u>	<u>2,929,124</u>	<u>4,386,530</u>	

Investments Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In accordance with its investment policy, the City minimizes credit risk by diversifying the portfolio to reduce potential losses on individual securities.

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

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. In accordance with its investment policy, the City minimizes concentration of credit risk by diversifying the investment portfolio.

NOTE B - CASH AND INVESTMENTS (Continued)

2. Investments (Continued)

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, or by a single collateral pool established by the financial institution.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial risk by diversifying the investment portfolio.

NOTE C - LONG-TERM DEBT

Long-term debt consisted of the following:

	<u>December 31</u> <u>2006</u>
Certificates of Participation	
2002 certificates of participation issue of \$3,300,000 used for acquiring, constructing, and improving the police station. Interest rates range from 2.1% to 4.95%.	\$2,820,000
2003 certificates of participation issue of \$1,330,000 used for renovating, improving, furnishing, and equipping the existing library and fire station. Interest rates range from 1.25% to 4.3%.	1,180,000
2003B certificates of participation issue of \$1,130,000 used for renovating, improving, furnishing, and equipping the fire station. Interest rates range from 1.7% to 3.2%.	<u>285,000</u>
	<u><u>\$4,285,000</u></u>
General Obligation Bonds	
1998 general obligation refunding bond issue of \$3,215,000 used for advance refunding of portion of 1991 and 1992 bond issues. Interest rates range from 3.35% to 4.65%.	\$1,975,000
1993 general obligation bond issue of \$1,000,000 used for acquiring, constructing, expanding, improving, and equipping parks and recreation facilities. Interest rates range from 4% to 6.5%.	<u>500,000</u>
	<u><u>\$2,475,000</u></u>

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - LONG-TERM DEBT (Continued)

A summary of principal debt service requirements is as follows:

For The Years Ended December 31	General Obligation Bonds		Certificates of Participation	
	Principal	Interest	Principal	Interest
2007	\$ 370,000	115,546	260,000	178,875
2008	390,000	96,749	270,000	170,790
2009	405,000	77,502	315,000	161,103
2010	425,000	57,586	200,000	152,019
2011	450,000	35,136	205,000	144,297
2012 - 2016	435,000	11,450	1,155,000	585,078
2017 - 2021	-	-	1,455,000	286,938
2022 - 2023	-	-	425,000	14,753
	<u>\$2,475,000</u>	<u>393,969</u>	<u>4,285,000</u>	<u>1,693,853</u>

The City has tax increment revenue bonds and notes which are special limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property, incremental increases in economic activity taxes in the project area, and monies on deposit in the Debt Service Reserve Fund. The bonds and notes do not constitute a general obligation of the City. Bonds and notes outstanding at December 31, 2006 are as follows:

	Date Issued	Date Of Maturity	Date Of Annual Payment	Original Amount	Balance December 31 2006
Tax increment revenue bonds:					
Brentwood Promenade	12-12-2002	4-1-2019	April 1	\$22,900,000	\$13,575,000
Brentwood Square	8-26-2005	5-1-2022	May 1	13,885,000	13,165,000
Brentwood Pointe	4-29-2005	5-1-2023	May 1	6,785,000	6,175,000
Brentwood Eager Road	9-30-2004	11-1-2023	May 1	9,510,000	8,680,000
Tax increment revenue note:					
Hanley Strassner	3-10-2006	9-14-2026	-	5,000,000	<u>5,000,000</u>
					<u>\$46,595,000</u>

The following is a summary of the changes in the City's long-term debt:

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - LONG-TERM DEBT (Continued)

	<u>For The Year Ended December 31, 2006</u>				
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Amounts</u>
	<u>December 31</u>			<u>December 31</u>	
	<u>2005</u>			<u>2006</u>	<u>One Year</u>
Governmental Activities					
Bonds, notes payable, and capital lease obligations:					
Tax increment revenue bonds	\$46,660,000	-	5,065,000	41,595,000	5,285,000
Tax increment revenue notes	-	5,000,000	-	5,000,000	-
General obligation bonds	2,825,000	-	350,000	2,475,000	370,000
Certificates of participation	4,535,000	-	250,000	4,285,000	260,000
Capital lease	-	65,956	4,707	61,249	11,851
Less - Deferred amount:					
For issuance discounts	(135,462)	-	(10,273)	(125,189)	-
On refunding	(84,704)	-	(1,544)	(83,160)	-
Total Bonds, Notes Payable, And Capital Lease Obligations	53,799,834	5,065,956	5,657,890	53,207,900	5,926,851
Compensated absences payable	1,991,576	507,813	326,007	2,173,382	347,741
Total Governmental Activity Long-Term Liabilities	<u>\$55,791,410</u>	<u>5,573,769</u>	<u>5,983,897</u>	<u>55,381,282</u>	<u>6,274,592</u>

Compensated absences are generally liquidated by the General Fund. Bonds payable are liquidated by the appropriate related fund.

Capital Lease

During 2006, the City entered into a lease agreement as lessee for financing the acquisition of a Mobile Stage.

The asset acquired through the capital lease is as follows:

	<u>December 31</u> <u>2006</u>
Machinery and equipment	\$82,056
Less - Accumulated depreciation	<u>1,710</u>
	<u>\$80,346</u>

The future minimum capital lease obligations and the net present value of these minimum lease payments as of December 31, 2006 were as follows:

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE C - LONG-TERM DEBT (Continued)

<u>For The Years</u> <u>Ended December 31</u>	<u>Machinery And</u> <u>Equipment</u>
2007	\$15,623
2008	15,623
2009	15,623
2010	15,623
2011	<u>8,852</u>
Total Minimum Lease Payments	71,344
Less- Amount representing interest	<u>10,095</u>
 Present Value of Minimum Lease Payments	 <u>\$61,249</u>

NOTE D - CAPITAL ASSETS

Capital asset activity was as follows:

	<u>For The Year Ended December 31, 2006</u>			
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>December 31</u>			<u>December 31</u>
	<u>2005</u>			<u>2006</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,159,163	-	-	3,159,163
Construction in progress	<u>90,197</u>	<u>-</u>	<u>1,892</u>	<u>88,305</u>
Total Capital Assets Not Being Depreciated	<u>3,249,360</u>	<u>-</u>	<u>1,892</u>	<u>3,247,468</u>
Capital assets, being depreciated:				
Buildings and other improvements	6,030,946	-	72,810	5,958,136
Machinery and equipment	3,295,664	150,512	740,480	2,705,696
Vehicles	1,929,364	226,874	73,413	2,082,825
Infrastructure	<u>6,242,411</u>	<u>-</u>	<u>-</u>	<u>6,242,411</u>
Total Capital Assets Being Depreciated	<u>17,498,385</u>	<u>377,386</u>	<u>866,703</u>	<u>16,989,068</u>
Less - Accumulated depreciation for:				
Buildings and other improvements	1,720,972	133,779	27,046	1,827,705
Machinery and equipment	2,012,900	156,132	577,688	1,591,344
Vehicles	1,109,518	162,436	39,597	1,232,357
Infrastructure	<u>3,694,205</u>	<u>320,477</u>	<u>-</u>	<u>4,014,682</u>
Total Accumulated Depreciation	<u>8,537,595</u>	<u>772,824</u>	<u>644,331</u>	<u>8,666,088</u>
Total Capital Assets Being Depreciated, Net	<u>8,960,790</u>	<u>(395,438)</u>	<u>242,372</u>	<u>8,322,980</u>
 Governmental Activities Capital Assets, Net	 <u>\$12,210,150</u>	 <u>(395,438)</u>	 <u>244,264</u>	 <u>11,570,448</u>

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE D - CAPITAL ASSETS (Continued)

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

	<u>For The Year Ended</u> <u>December 31, 2006</u>
Governmental activities:	
Administrative	\$ 2,267
Police	139,214
Fire	73,896
Public works	370,425
Sanitation	46,167
Building maintenance	17,498
Recreation	94,065
Library	<u>29,292</u>
	<u>\$772,824</u>

NOTE E - EMPLOYEE RETIREMENT SYSTEMS

1. Police and Firemen's Pension Fund (PFPF)

Plan Description and Provisions

Substantially all of the City's full-time police and fire employees participate in the PFPF, a single-employer, defined benefit pension plan. The Plan was created and is governed by City ordinance in accordance with Missouri state statutes. Contribution requirements are established by City ordinance. The Plan is included in the financial statements of the City as a Pension Trust Fund and does not issue a separate financial statement. The Plan may be amended under the provisions of the original ordinance.

Basis of Accounting

The financial statements of the Pension Trust Fund are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs of the Plan are financed by the Pension Trust Fund.

As of December 31, 2005 (the most recent actuarial valuation date), membership in the PFPF is comprised of the following:

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Police and Firemen's Pension Fund (PFPF) (Continued)

Group	
Retirees, disabled, and beneficiaries currently receiving benefits and vested terminated employees	28
Active employees:	
Fully vested	26
Nonvested	21

The Pension Plan provides that a member with 20 or more years of service may retire at age 55 and receive a monthly retirement benefit equal to 1) 3.25% of final average compensation (FAC) times the number of years of service, up to 20 years plus 2) 1% of FAC times the number of years of service in excess of 20, up to 10 additional years. Upon the death of the retired member, two-thirds of the monthly benefit will be continued to his/her widow until their death or remarriage. FAC, as used in this summary, means the highest average monthly salary received in any 24 consecutive full calendar months of employment. The Plan also provides death and disability benefits.

Employees of the police and fire departments are required to pay 6% of their base salary to the Pension Plan. Payments are deducted from the employees' salaries and remitted by the City to the Pension Trust Fund on a biweekly basis. Other funding is provided to the Pension Trust Fund in the form of ad valorem tax. If an employee leaves the employment of the City with less than 10 years of service, the accumulated contributions are refunded to the employee. If an employee leaves with more than 10 years but less than 20 years of service, they may elect to receive their accumulated contributions plus interest, or leave the funds until retirement and receive 3% of FAC times the number of years of service.

Funding Status and Progress

Pension Plan			
Valuation For The Actuarial Years Ended December 31	Actuarial Value Of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)
2005	\$17,924,899	\$24,243,248	\$6,318,349
2004	16,722,777	23,338,184	6,615,407
2003	15,040,545	22,002,017	6,961,472
2002	13,653,577	22,665,590	9,012,013
2001	14,259,795	21,353,085	7,093,290
2000	13,999,792	19,168,477	5,168,685

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Police and Firemen's Pension Fund (PFPF) (Continued)

<u>Valuation For The Actuarial Years Ended December 31</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL As A Percentage Of Covered Payroll</u>
2005	73.9%	\$3,090,200	204.5%
2004	71.7	3,122,800	211.8
2003	68.3	3,000,800	231.9
2002	60.2	2,910,333	309.7
2001	66.8	2,789,217	254.3
2000	73.0	2,525,567	204.7

Schedule Of Contributions

<u>For The Years Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2005	\$469,103	\$920,076	196.1%
2004	477,671	746,266	156.2
2003	508,165	808,108	159.0
2002	731,882	478,219	65.3
2001	524,738	493,726	94.1
2000	335,976	485,313	144.4

The information presented in the required supplementary schedule was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Actuarial cost method	Frozen entry age
Asset valuation method	At market value
Amortization method	Level dollar
Amortization period	35 years and Closed
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	5.5%
Inflation rate	-

Annual Pension Cost

Current year annual pension cost for the Plan are shown in the trend information. Annual required contributions were made by the Plan. The Plan does not have a net pension obligation.

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Police and Firemen's Pension Fund (PFPP) (Continued)

Trend Information

The historical trend information about the Plan is presented herewith to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparison with other Public Employee Retirement Systems (PERS).

Pension Plan			
Valuation For The Years Ended December 31	Annual Pension Cost	Percentage Contributed	Net Pension Asset
2005	\$514,876	178.7%	\$1,712,599
2004	511,580	145.9	1,307,399
2003	531,381	152.1	1,072,713
2002	763,352	62.6	795,986
2001	555,591	88.9	1,081,119
2000	361,231	134.3	1,142,984

Pension Plan							
Valuation For The Actuarial Years Ended December 31	Annual Required Contri- bution	Adjustment To Annual Required Contribution	Interest On Net Pension Obligation (Asset)	Annual Pension Cost	Actual Contri- bution	Increase (Decrease) In Net Pension Obligation (Asset)	Net Pension Obligation (Asset) End Of Year
2005	\$469,103	143,828	(98,055)	514,876	(920,076)	(405,200)	(1,712,599)
2004	477,671	114,362	(80,453)	511,580	(746,266)	(234,686)	(1,307,399)
2003	508,165	82,915	(59,699)	531,381	(808,108)	(276,727)	(1,072,713)
2002	731,882	107,148	(75,678)	763,352	(478,219)	285,133	(795,986)
2001	524,738	110,862	(80,009)	555,591	(493,726)	61,865	(1,081,119)
2000	335,976	96,578	(71,323)	361,231	(485,313)	(124,082)	(1,142,984)

2. Missouri Local Government Employees Retirement System (LAGERS)

Plan Description

All of the City's full-time employees, excluding police and firemen, are eligible to participate in LAGERS, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo 70.600 - 70.755. As such, it is LAGERS' responsi-

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Missouri Local Government Employees Retirement System (LAGERS) (Continued)

bility 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.

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

Funding Policy

The City's full-time employees do not contribute to the Pension Plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 8.4% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

For 2006, the City's annual pension cost of \$231,252 was equal to the required and actual contributions. The required contribution was determined as part of the February 28/29, 2004 and/or 2005 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually; b) projected salary increases of 4% per year, compounded annually, attributable to inflation; c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit; d) pre-retirement mortality based on RP-2000 Combined Healthy Table set back zero years for men and zero years for women, and e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back one year for men and seven years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2006 was 15 years.

Three year trend information follows:

<u>For The Years Ended June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
2006	\$231,252	100%	\$ -
2005	211,969	100	-
2004	172,156	100	-

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE E - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Missouri Local Government Employees Retirement System (LAGERS) (Continued)

Schedule of funding progress follows:

<u>For The Years Ended February 28/29</u>	<u>Entry Age Actuarial Value Of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Excess Of Assets Over AAL</u>
2006	\$4,738,987	\$4,417,704	\$321,283
2005	4,361,704	4,149,410	212,294
2004	3,901,711	3,523,780	377,931

<u>For The Years Ended February 28/29</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>Excess Assets As A Percentage Of Covered Payroll</u>
2006	107%	\$2,788,653	11.5%
2005	105	2,764,738	7.7
2004	111	2,277,782	16.6

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.

NOTE F - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. In accordance with GASB Statement No. 32, *Deferred Compensation Plans*, the City does not report the assets and associated liabilities within their financial statements as the deferred compensation plan is now a trust fund whose assets are not held by the City in a fiduciary capacity.

NOTE G - RESTRICTED ASSETS

Restricted assets consisted of the following:

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - RESTRICTED ASSETS (Continued)

	<u>December 31</u> <u>2006</u>
Cash and investments:	
Major Funds:	
Special Revenue Funds - Tax Increment Financing District	\$ 33,834
Debt Service Funds - Brentwood Promenade	320,921
Nonmajor Funds:	
Capital Projects - Brentwood Square Revenue Fund	28,414
Capital Projects - Brentwood Square Project Fund	98,001
Capital Projects - Police Station Project Fund	169
Capital Projects - Library Construction Fund	18,163
Debt Service Funds - Brentwood Square:	
Debt Service Fund	1,506
Debt Service Reserve Fund	915,270
Economic Activity Tax Revenue Fund	245,003
Pilots Fund	1,148
Municipal Revenue Fund	107,562
Redemption Fund	700,235
Revenue Fund	477
Debt Service Funds - Brentwood Promenade:	
Debt Service Reserve Fund	1,087,057
Economic Activity Tax Revenue Fund	710,000
Municipal Revenue Fund	348,650
Revenue Fund	11,845
Redemption Fund	8,516
Debt Service Funds - Brentwood Pointe:	
Debt Service Reserve Fund	507,470
Debt Service Fund	694
Economic Activity Tax Revenue Fund	141,632
Pilots Fund	7
Redemption Fund	218,149
Municipal Revenue Fund	24,830
Debt Service Funds - Police Station:	
Interest Fund	63,183
Principal Fund	135,987
Reserve Fund	255,136
Debt Service Funds - Library:	
Reserve Fund	101,095
Payment Fund	2,471
Debt Service Funds - City Hall:	
Reserve Fund	114,331
Payment Fund	2,939
Prepayment Fund	209

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE G - RESTRICTED ASSETS (Continued)

	<u>December 31</u> <u>2006</u>
Debt Service Funds - Brentwood Eager Road:	
Debt Service Reserve Fund	739,861
Debt Service Fund	1,194
Economic Activity Tax Revenue Fund	70,601
Pilots Fund	7
Redemption Fund	<u>2,221</u>
	<u>\$7,018,788</u>
Cash	\$ 338,155
Investments	<u>6,680,633</u>
	<u>\$7,018,788</u>

NOTE H - INTERFUND ASSETS/LIABILITIES

Individual interfund assets and liabilities are as follows:

		<u>December 31</u> <u>2006</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	
Major Funds:		
Tax Increment Financing District	General Fund	\$ 256,891
Tax Increment Financing District	Nonmajor Funds - Capital Improve- ments Fund	65,213
Tax Increment Financing District	Nonmajor Funds - Stormwater and Park Improvements Fund	147,339
Library Fund	General Fund	13,578
General Fund	Nonmajor Funds - Sewer Improvement Fund	233
Library Fund	Tax Increment Financing District	7,753
Nonmajor Funds:		
Pension Tax fund	Tax Increment Financing District	20,132
Capital Improvements Fund	Stormwater and Park Improvements Fund	1,191
Capital Improvements Fund	General Fund	437,961
Stormwater and Park Improve- ments Fund	General Fund	285,596
Brentwood Promenade - Municipal Revenue Fund	Tax Increment Financing District	79,672
Brentwood Promenade - Pilots Fund	Tax Increment Financing District	910,346

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE H - INTERFUND ASSETS/LIABILITIES (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>December 31</u> <u>2006</u>
Nonmajor Funds (Continued):		
Brentwood Promenade - Economic Activity Tax Revenue Fund	Tax Increment Financing District	398,174
Brentwood Promenade - Municipal Revenue Fund	Brentwood Promenade - Economic Activity Tax Revenue Fund	64,076
Brentwood Square Revenue Fund	Tax Increment Financing District	64,844
Pension Trust Fund	General Fund	8,294
Brentwood Square Revenue Fund	Brentwood Square - Municipal Revenue Fund	6,905
Brentwood Square - Economic Activity Tax Revenue Fund	Tax Increment Financing District	383,961
Brentwood Pointe - Economic Activity Tax Revenue Fund	Brentwood Square - Debt Service Reserve Fund	62,701
Brentwood Square - Pilots Fund	Tax Increment Financing District	288,229
Brentwood Pointe Economic Activity Tax Revenue Fund	Tax Increment Financing District	180,579
Brentwood Pointe - Pilots Fund	Tax Increment Financing District	205,468
Brentwood Pointe - Municipal	Tax Increment Financing District	8,794
Brentwood Eager Road - Pilots Fund	Tax Increment Financing District	325,263
Brentwood Eager Road - Economic Activity Tax Revenue Fund	Tax Increment Financing District	296,004
Brentwood Square - Municipal Revenue Fund	Tax Increment Financing District	60,790
Pension Trust Fund	Pension Tax Fund	<u>493,056</u>
		<u>\$5,073,043</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) inter-fund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. All interfund balances are expected to be repaid during the fiscal year ending December 31, 2007.

NOTE I - INTERFUND TRANSACTIONS

Individual interfund transactions are as follows:

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - INTERFUND TRANSACTIONS (Continued)

<u>Transfers In</u>	<u>Transfers Out</u>	<u>December 31</u> <u>2006</u>
Major Funds:		
General Fund	Nonmajor Fund - Capital Improve- ments Fund	\$ 100,000
General Fund	Nonmajor Funds - Stormwater and Park Improvements Fund	45,000
Brentwood Promenade - Debt Service Fund	Brentwood Promenade - Revenue Fund	33,121
Brentwood Promenade - Debt Service Fund	Brentwood Promenade - Economic Activity Tax Revenue Fund	1,157,403
Brentwood Promenade - Debt Service	Brentwood Promenade - Pilots Fund	867,165
Brentwood Promenade - Debt Service	Brentwood Promenade - Municipal Revenue Fund	37,883
Police Station - Interest Fund	Capital Improvements Fund	126,032
Police Station - Interest Fund	Police Station - Principal Fund	97
Police Station - Principal Fund	Capital Improvements Fund	124,876
Police Station - Principal Fund	Police Station - Reserve Fund	10,805
Library - Payment Fund	Capital Improvements Fund	68,000
Library - Payment Fund	Library - Reserve Fund	5,707
City Hall - Payment Fund	Capital Improvements Fund	79,521
City Hall - Payment Fund	City Hall - Reserve Fund	4,785
Brentwood Square - Debt Service Fund	Brentwood Square - Economic Activity Tax Revenue Fund	927,086
Brentwood Square - Debt Service Fund	Brentwood Square - COI Fund	2,431
Brentwood Square - Redemption Fund	Brentwood Square - Economic Activity Tax Revenue Fund	536,128
Brentwood Square - Redemption Fund	Brentwood Square - Municipal Revenue	99,583
Brentwood Square - Redemption Fund	Brentwood Square Revenue Fund	99,357
Brentwood Square - Pilots Fund	Tax Increment Financing District	288,221
Brentwood Square - Pilots Fund	Brentwood Square - Redemption Fund	6,145
Brentwood Square - Economic Activity Tax Revenue Fund	Tax Increment Financing District	1,379,154
Brentwood Square - Economic Activity Tax Revenue Fund	Brentwood Square - Debt Service Reserve Fund	99,213
Brentwood Square - Municipal Revenue Fund	Tax Increment Financing District	332,460
Brentwood - Square Revenue Fund	Tax Increment Financing District	98,609

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - INTERFUND TRANSFERS (Continued)

<u>Transfers In</u>	<u>Transfers Out</u>	<u>December 31</u> <u>2006</u>
Nonmajor Funds (Continued):		
Brentwood Promenade - Redemption Fund	Brentwood Promenade - Debt Service	114,249
Brentwood Promenade - Redemption Fund	Brentwood Promenade - Economic Activity Tax Revenue Fund	991,913
Brentwood Promenade - Redemption Fund	Brentwood Promenade - Pilots Fund	94
Brentwood Promenade - Redemption Fund	Brentwood Promenade - Municipal Revenue	804,989
Brentwood Promenade - Revenue Fund	Brentwood Promenade - Debt Service Reserve Fund	44,434
Brentwood Promenade - Economic Activity Tax Revenue Fund	Tax Increment Financing District	2,118,676
Brentwood Promenade - Pilots Fund	Tax Increment Financing District	904,954
Brentwood Promenade - Municipal Revenue Fund	Tax Increment Financing District	802,771
Brentwood Pointe - Pilots Fund	Tax Increment Financing District	205,467
Brentwood Pointe - Economic Activity Tax Revenue Fund	Tax Increment Financing District	526,310
Brentwood Pointe - Economic Activity Tax Revenue Fund	Brentwood Pointe - Debt Service Reserve Fund	18,204
Brentwood Pointe - Debt Service Fund	Brentwood Pointe - Pilots Fund	90,104
Brentwood Pointe - Debt Service Fund	Brentwood Pointe - Economic Activity Tax Revenue Fund	283,749
Brentwood Pointe - Redemption Fund	Brentwood Pointe - Pilots Fund	196,005
Brentwood Pointe - Redemption Fund	Brentwood Pointe - Economic Activity Tax Revenue Fund	209,840
Brentwood Pointe - Redemption Fund	Brentwood Pointe - Municipal Revenue Fund	33,725
Brentwood Pointe - Municipal Revenue Fund	Tax Increment Financing District	66,912
Brentwood Eager Road - Debt Service Fund	Brentwood Eager Road - Debt Service Reserve Fund	29,018
Brentwood Eager Road - Debt Service Fund	Brentwood Eager Road - Economic Activity Tax Revenue Fund	203,037
Brentwood Eager Road - Debt Service Fund	Brentwood Eager Road - Pilots	180,253

CITY OF BRENTWOOD, MISSOURI
NOTES TO FINANCIAL STATEMENTS

NOTE I - INTERFUND TRANSFERS (Continued)

<u>Transfers In</u>	<u>Transfers Out</u>	<u>December 31 2006</u>
Brentwood Eager Road - Redemption Fund	Brentwood Eager Road - Economic Activity Tax Revenue Fund	316,247
City Hall - Payment Fund	City Hall - Construction Fund	669
Brentwood Eager Road - Redemption Fund	Brentwood Eager Road - Pilots	101,924
Brentwood Eager Road - Economic Activity Tax Revenue Fund	Tax Increment Financing District	594,960
Brentwood Eager Road - Pilots Fund	Tax Increment Financing District	325,263
Library - Payment Fund	City Hall - Construction Fund	3
Library - Payment Fund	Library Fund	<u>26,783</u>
		<u>\$15,719,335</u>

NOTE J - COMMITMENTS AND CONTINGENCIES

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed and determinable in amount. Various suits and claims against the City are presently pending. It is management's opinion that any liability resulting from pending suits in excess of insurance coverage will not have a material effect on the basic financial statements of the City at December 31, 2006.

NOTE K - RISK MANAGEMENT

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

The City, along with various other local municipal governments, participates in an insurance trust for workers' compensation and for general liability matters (St. Louis Area Insurance Trust - SLAIT). The purpose of this trust is to distribute the cost of self-insurance over similar entities. The trust requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of the trust have no legal interest in the assets, liabilities, or fund balances of the insurance trust. However, the City retains a contingent liability to fund its pro rata share of any deficit incurred by the trust should the trust cease operations at some future date. The trust has contracted with an insurance agent to handle all administrative matters, including processing of claims filed. The City's premium payment to the trust during fiscal 2006 was \$308,712.

NOTE K - RISK MANAGEMENT (Continued)

The City also purchases commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE L - UNRESTRICTED NET ASSET DEFICIT

The government-wide statement of net assets reflects an unrestricted net asset deficit of (\$44,978,425). This total is comprised of \$1,616,575 in unrestricted net assets from operations and unrestricted net assets deficit resulting from the issuance of various TIF Revenue Bonds and Notes \$46,595,000, which is for development not owned by the City.

The City's responsibility to repay the TIF bonds and notes extends only to the incremental revenues generated by the TIF district. The TIF bonds and notes are a special limited obligation of the City and are not used in calculating the City's debt limit.

NOTE M - RESTRICTED NET ASSETS

The government-wide statement of net assets reports \$12,045,190 of restricted net assets, of which \$2,453,821 is restricted by enabling legislation.

NOTE N - SUBSEQUENT EVENT

On April 2, 2007, the City approved to purchase property in the amount of \$1,600,000.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CITY OF BRENTWOOD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	2006			2005
	Original And Final Budgeted Amounts	Actual	Over (Under) Budget	
REVENUES				
Taxes	\$ 5,484,197	5,656,559	172,362	5,522,222
Licenses and permits	1,293,100	1,394,378	101,278	1,368,159
Fines and forfeitures	338,500	433,514	95,014	332,353
Intergovernmental	15,000	84,948	69,948	25,530
Charges for services	1,060,900	1,155,233	94,333	1,106,028
Investment income	35,000	93,003	58,003	33,844
Miscellaneous	341,000	559,748	218,748	331,132
Total Revenues	<u>8,567,697</u>	<u>9,377,383</u>	<u>809,686</u>	<u>8,719,268</u>
EXPENDITURES				
Current:				
Administrative	625,586	590,299	(35,287)	587,323
Police	2,386,178	2,341,218	(44,960)	2,271,564
Fire	1,795,970	1,801,490	5,520	1,705,290
Public works	651,579	661,747	10,168	694,519
Planning and development	223,668	218,630	(5,038)	294,649
Sanitation	464,401	469,251	4,850	421,168
Building maintenance	60,550	63,546	2,996	59,621
Recreation	-	-	-	185,615
Community services	153,000	174,835	21,835	223,544
Legislative	75,700	67,690	(8,010)	65,470
Judicial	92,959	88,267	(4,692)	86,266
Municipal operating	2,488,234	2,598,805	110,571	2,429,072
Total Expenditures	<u>9,017,825</u>	<u>9,075,778</u>	<u>57,953</u>	<u>9,024,101</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(450,128)</u>	<u>301,605</u>	<u>751,733</u>	<u>(304,833)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	145,000	(105,000)	680,000
Transfers out	-	-	-	(80,113)
Sale of capital assets	210,000	11,163	(198,837)	20,396
Total Other Financing Sources (Uses)	<u>460,000</u>	<u>156,163</u>	<u>(303,837)</u>	<u>620,283</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,872</u>	<u>457,768</u>	<u>447,896</u>	<u>315,450</u>
FUND BALANCE, JANUARY 1		<u>815,815</u>		
FUND BALANCE, DECEMBER 31		<u>\$ 1,273,583</u>		

CITY OF BRENTWOOD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - LIBRARY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>2006</u>			<u>2005</u>
	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	
REVENUES				
Taxes	\$ 420,390	377,181	(43,209)	365,761
Intergovernmental	3,114	5,981	2,867	4,870
Charges for services	10,000	9,785	(215)	11,373
Investment income	8,406	13,058	4,652	10,100
Miscellaneous	-	1,275	1,275	2,750
Total Revenues	<u>441,910</u>	<u>407,280</u>	<u>(34,630)</u>	<u>394,854</u>
EXPENDITURES				
Current:				
Library	436,910	417,592	(19,318)	407,965
Capital outlay	5,000	-	(5,000)	700
Debt service:				
Interest and fiscal charges	-	-	-	1,986
Total Expenditures	<u>441,910</u>	<u>417,592</u>	<u>(24,318)</u>	<u>410,651</u>
REVENUES UNDER EXPENDITURES	-	(10,312)	(10,312)	(15,797)
OTHER FINANCING USES				
Transfers out	-	(26,783)	(26,783)	(204,413)
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(37,095)</u>	<u>(37,095)</u>	<u>(220,210)</u>
FUND BALANCE, JANUARY 1		<u>592,163</u>		
FUND BALANCE, DECEMBER 31		<u>\$ 555,068</u>		

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CITY OF BRENTWOOD, MISSOURI
REQUIRED SUPPLEMENTAL INFORMATION -
NOTES TO SCHEDULES OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2006

Budgets

Budgets are adopted on a basis consistent with U.S. generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Library, Capital Improvements, Stormwater and Park Improvements, and Sewer Improvements Funds. All annual appropriations lapse at fiscal year-end. Encumbrances are considered for reappropriation in the ensuing year's budget.

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

- a. Public hearings are conducted to obtain comments from all interested parties for a proposed budget.
- b. The budget for the coming year is formally adopted on or before the last day of the fiscal year ending.
- c. Expenditures may not legally exceed budgeted appropriations at the department level or by projects as approved by City Aldermen. Management may authorize transfers of appropriations within a department.

Excess of Expenditures Over Appropriations

For the year ended December 31, 2006, expenditures exceeded appropriations in the fire, public works, sanitation, building maintenance, community services, and municipal operating departments of the General Fund by \$5,520, \$10,168, \$4,850, \$2,996, \$21,835, and \$110,571, respectively. These over expenditures were funded by available fund balance.

OTHER SUPPLEMENTAL INFORMATION SECTION

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for the proceeds of special revenue sources (other than special assessment, expendable trusts, or major capital projects) that are legally restricted to expenditures for special purposes.

Pension Tax Fund -- This fund accumulates taxes for the Pension Trust Fund.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Capital Improvements Fund -- This fund is used to account for improvements to park and recreational facilities and infrastructure improvements, which are funded by a ½% sales tax and general obligation bond proceeds.

Stormwater and Park Improvements Fund -- This fund is used to account for improvements to park and recreational facilities and stormwater systems which will be funded by a ½% sales tax.

Sewer Improvements Fund -- This fund is used to monitor the funding of sewer improvements throughout the City, which are funded by special assessments.

Brentwood Square Revenue Fund -- This fund is used to account for improvements to the Kenilworth Transportation Development District, which are funded by a ¼% sales tax.

Brentwood Square Project Fund -- This fund is used to account for improvements to the Kenilworth Transportation Development District.

Police Station Project Fund -- This fund is used to account for a new police facility.

Library Construction Fund -- This fund is used to account for remodeling the library.

City Hall Construction Fund -- This fund is used to account for remodeling the city hall.

DEBT SERVICE FUNDS

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

DEBT SERVICE FUNDS (Continued)

Debt Service Fund -- This fund is used to account for the accumulation of resources for the Tax Increment Refunding Revenue bonds' principal and interest. Brentwood Square, Brentwood Pointe, and Brentwood Eager Road include this fund.

Debt Service Reserve Fund -- This fund is used to account for the amounts reserved according to the Tax Increment Refunding Revenue bond issue. Brentwood Square, Brentwood Promenade, Brentwood Pointe, and Brentwood Eager Road include this fund.

Economic Activity Tax Revenue Fund -- This fund is used to account for the accumulation of resources for, and the payment of, Tax Increment Refunding Revenue bonds' principal and interest. Brentwood Square, Brentwood Promenade, Brentwood Pointe, and Brentwood Eager Road include this fund.

Pilots Fund -- This fund is used to account for the accumulation of resources for, and the payment of, Tax Increment Refunding Revenue bonds' principal and interest. Brentwood Square, Brentwood Promenade, Brentwood Pointe, and Brentwood Eager Road include this fund.

Municipal Revenue Fund -- This fund is used to account for the accumulation of resources for, and the payment of, Tax Increment Refunding Revenue bonds' principal and interest. Brentwood Square, Brentwood Promenade, and Brentwood Pointe include this fund.

Redemption Fund -- This fund is used to account for the accumulation of resources for, and the payment of, Tax Increment Refunding Revenue bonds' principal and interest. Brentwood Square, Brentwood Promenade, Brentwood Pointe, and Brentwood Eager Road include this fund.

Revenue Fund -- This fund is used to account for the accumulation of resources for, and the payment of, Tax Increment Refunding Revenue bonds' principal and interest. Brentwood Square and Brentwood Promenade include this fund.

Interest Fund -- This fund is used to account for the accumulation of resources for, and the payment of, the certificates of participation interest. Police Station includes this fund.

Principal Fund -- This fund is used to account for the accumulation of resources for, and the payment of, the certificates of participation principal. Police Station includes this fund.

Reserve Fund -- This fund is used to account for the amounts reserved according to the certificates of participation bond issue. Police Station, Library, and City Hall include this fund.

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS (Continued)

DEBT SERVICE FUNDS (Continued)

Payment Fund -- This fund is used to account for the accumulation of resources for, and the payment of, the certificates of participation principal and interest. Library and City Hall include this fund.

Cost of Issuance Fund -- This fund is used for the payment of fees and expenses related to the Tax Increment Refunding Revenue bond issue. Brentwood Square includes this fund.

Prepayment Fund -- This fund is used to account for the prepayment of principal for the certificates of participation. City Hall includes this fund.

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS DECEMBER 31, 2005

	2006							
	Special Revenue Fund	Capital Projects Funds						
	Pension Tax Fund	Capital Improvements Fund	Stormwater And Park Improvements Fund	Sewer Improvements Fund	Brentwood Square Revenue Fund	Brentwood Square Project Fund	Police Station Project Fund	Library Construction Fund
ASSETS								
Cash	\$ -	69,141	280,780	114,183	-	-	-	-
Receivables:								
Property taxes	464,630	58,796	-	-	-	-	-	-
Other	-	301,931	338,662	21,677	-	-	-	-
Restricted assets	-	-	-	-	28,414	98,001	169	18,163
Due from other funds	28,426	439,152	285,596	-	71,749	-	-	-
	<u>28,426</u>	<u>439,152</u>	<u>285,596</u>	<u>-</u>	<u>71,749</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 493,056</u>	<u>869,020</u>	<u>905,038</u>	<u>135,860</u>	<u>100,163</u>	<u>98,001</u>	<u>169</u>	<u>18,163</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	-	-	-	-	-	-	-
Deferred revenue	-	8,623	-	-	-	-	-	-
Due to other funds	493,056	65,213	148,530	233	-	-	-	-
Total Liabilities	<u>493,056</u>	<u>73,836</u>	<u>148,530</u>	<u>233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances								
Reserved for:								
Debt service	-	-	-	-	-	-	-	-
Unreserved:								
Capital Projects Funds	-	795,184	756,508	135,627	100,163	98,001	169	18,163
Total Fund Balances	<u>-</u>	<u>795,184</u>	<u>756,508</u>	<u>135,627</u>	<u>100,163</u>	<u>98,001</u>	<u>169</u>	<u>18,163</u>
Total Liabilities And Fund Balances	<u>\$ 493,056</u>	<u>869,020</u>	<u>905,038</u>	<u>135,860</u>	<u>100,163</u>	<u>98,001</u>	<u>169</u>	<u>18,163</u>

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS DECEMBER 31, 2005

	2006						
	Debt Service Funds						
	Brentwood Square						
	Debt Service Fund	Debt Service Reserve Fund	Economic Activity Tax Revenue Fund	Pilots Fund	Municipal Revenue Fund	Redemption Fund	Revenue Fund
ASSETS							
Cash	-	-	-	-	-	-	-
Receivables:							
Property taxes	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Restricted assets	1,506	915,270	245,003	1,148	107,562	700,235	477
Due from other funds	-	-	383,961	288,229	60,790	-	-
	<u>1,506</u>	<u>915,270</u>	<u>628,964</u>	<u>289,377</u>	<u>168,352</u>	<u>700,235</u>	<u>477</u>
Total Assets							
	<u>1,506</u>	<u>915,270</u>	<u>628,964</u>	<u>289,377</u>	<u>168,352</u>	<u>700,235</u>	<u>477</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	62,701	-	-	6,905	-	-
	<u>-</u>	<u>62,701</u>	<u>-</u>	<u>-</u>	<u>6,905</u>	<u>-</u>	<u>-</u>
Total Liabilities							
	<u>-</u>	<u>62,701</u>	<u>-</u>	<u>-</u>	<u>6,905</u>	<u>-</u>	<u>-</u>
Fund Balances							
Reserved for:							
Debt service	1,506	852,569	628,964	289,377	161,447	700,235	477
Unreserved:							
Capital Projects Funds	-	-	-	-	-	-	-
	<u>1,506</u>	<u>852,569</u>	<u>628,964</u>	<u>289,377</u>	<u>161,447</u>	<u>700,235</u>	<u>477</u>
Total Fund Balances							
	<u>1,506</u>	<u>852,569</u>	<u>628,964</u>	<u>289,377</u>	<u>161,447</u>	<u>700,235</u>	<u>477</u>
Total Liabilities And Fund Balances	<u>1,506</u>	<u>915,270</u>	<u>628,964</u>	<u>289,377</u>	<u>168,352</u>	<u>700,235</u>	<u>477</u>

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS DECEMBER 31, 2005

	2006											
	Debt Service Funds											
	Brentwood Promenade						Brentwood Pointe					
	Debt Service Reserve Fund	Economic Activity Tax Revenue Fund	Pilots Fund	Municipal Revenue Fund	Revenue Fund	Redemption Fund	Debt Service Reserve Fund	Debt Service Fund	Economic Activity Tax Revenue Fund	Pilots Fund	Redemption Fund	Municipal Revenue Fund
ASSETS												
Cash	-	-	-	-	-	-	-	-	-	-	-	-
Receivables:												
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	22,583	-	-	-	-
Restricted assets	1,087,057	710,000	-	348,650	11,845	8,516	507,470	694	141,632	7	218,149	24,830
Due from other funds	-	398,174	910,346	143,748	-	-	-	-	243,280	205,468	-	8,794
Total Assets	<u>1,087,057</u>	<u>1,108,174</u>	<u>910,346</u>	<u>492,398</u>	<u>11,845</u>	<u>8,516</u>	<u>507,470</u>	<u>694</u>	<u>407,495</u>	<u>205,475</u>	<u>218,149</u>	<u>33,624</u>
LIABILITIES AND FUND BALANCES												
Liabilities												
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	64,076	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>64,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances												
Reserved for:												
Debt service	1,087,057	1,044,098	910,346	492,398	11,845	8,516	507,470	694	407,495	205,475	218,149	33,624
Unreserved:												
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	<u>1,087,057</u>	<u>1,044,098</u>	<u>910,346</u>	<u>492,398</u>	<u>11,845</u>	<u>8,516</u>	<u>507,470</u>	<u>694</u>	<u>407,495</u>	<u>205,475</u>	<u>218,149</u>	<u>33,624</u>
Total Liabilities And Fund Balances	<u>1,087,057</u>	<u>1,108,174</u>	<u>910,346</u>	<u>492,398</u>	<u>11,845</u>	<u>8,516</u>	<u>507,470</u>	<u>694</u>	<u>407,495</u>	<u>205,475</u>	<u>218,149</u>	<u>33,624</u>

CITY OF BRENTWOOD, MISSOURI
 OTHER SUPPLEMENTAL INFORMATION -
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)
 DECEMBER 31, 2006
 WITH COMPARATIVE TOTALS DECEMBER 31, 2005

	2006						
	Debt Service Funds						
	Police Station			Library		City Hall	
Interest Fund	Principal Fund	Reserve Fund	Reserve Fund	Payment Fund	Reserve Fund	Payment Fund	Prepayment Fund
ASSETS							
Cash	-	-	-	-	-	-	-
Receivables:							
Property taxes	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Restricted assets	63,183	135,987	255,136	101,095	2,471	114,331	2,939
Due from other funds	-	-	-	-	-	-	-
Total Assets	<u>63,183</u>	<u>135,987</u>	<u>255,136</u>	<u>101,095</u>	<u>2,471</u>	<u>114,331</u>	<u>2,939</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Reserved for:							
Debt service	63,183	135,987	255,136	101,095	2,471	114,331	2,939
Unreserved:							
Capital Projects Funds	-	-	-	-	-	-	-
Total Fund Balances	<u>63,183</u>	<u>135,987</u>	<u>255,136</u>	<u>101,095</u>	<u>2,471</u>	<u>114,331</u>	<u>2,939</u>
Total Liabilities And Fund Balances	<u>63,183</u>	<u>135,987</u>	<u>255,136</u>	<u>101,095</u>	<u>2,471</u>	<u>114,331</u>	<u>2,939</u>

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)
DECEMBER 31, 2006
WITH COMPARATIVE TOTALS DECEMBER 31, 2005

	2006					Totals	2005
	Brentwood Eager Road						
	Debt Service Reserve Fund	Debt Service Fund	Economic Activity Tax Revenue Fund	Pilots Fund	Redemption Fund		
ASSETS							
Cash	-	-	-	-	-	464,104	383,381
Receivables:							
Property taxes	-	-	-	-	-	523,426	397,713
Other	-	-	-	-	-	684,853	863,227
Restricted assets	739,861	1,194	70,601	7	2,221	6,664,033	6,853,040
Due from other funds	-	-	296,004	325,263	-	4,088,980	3,566,245
	<u>739,861</u>	<u>1,194</u>	<u>366,605</u>	<u>325,270</u>	<u>2,221</u>	<u>12,425,396</u>	<u>12,063,606</u>
Total Assets							
	<u>739,861</u>	<u>1,194</u>	<u>366,605</u>	<u>325,270</u>	<u>2,221</u>	<u>12,425,396</u>	<u>12,063,606</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	-	-	-	-	-	-	86,284
Deferred revenue	-	-	-	-	-	8,623	-
Due to other funds	-	-	-	-	-	840,714	762,142
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,337</u>	<u>848,426</u>
Fund Balances							
Reserved for:							
Debt service	739,861	1,194	366,605	325,270	2,221	9,672,244	9,269,572
Unreserved:							
Capital Projects Funds	-	-	-	-	-	1,903,815	1,945,608
Total Fund Balances	<u>739,861</u>	<u>1,194</u>	<u>366,605</u>	<u>325,270</u>	<u>2,221</u>	<u>11,576,059</u>	<u>11,215,180</u>
Total Liabilities And Fund Balances	<u>739,861</u>	<u>1,194</u>	<u>366,605</u>	<u>325,270</u>	<u>2,221</u>	<u>12,425,396</u>	<u>12,063,606</u>

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	2006								
	Special Revenue Fund	Capital Projects Funds							
		Pension Tax Fund	Capital Improvements Fund	Stormwater And Park Improvements Fund	Sewer Improvements Fund	Brentwood Square Revenue Fund	Brentwood Square Project Fund	Police Station Project Fund	Library Construction Fund
REVENUES									
Taxes	\$ 965,870	1,406,705	1,477,309	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Assessments	-	-	-	69,752	-	-	-	-	-
Investment income	-	6,613	19,448	1,836	703	4,513	7	1,494	14
Total Revenues	<u>965,870</u>	<u>1,413,318</u>	<u>1,496,757</u>	<u>71,588</u>	<u>703</u>	<u>4,513</u>	<u>7</u>	<u>1,494</u>	<u>14</u>
EXPENDITURES									
Current:									
Municipal operating	965,870	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	7,123	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Capital outlay	-	444,686	1,415,314	119,057	-	-	-	74,425	-
Debt service:									
Principal	-	295,000	55,000	-	-	-	-	-	-
Interest and fiscal charges	-	113,490	27,199	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>965,870</u>	<u>853,176</u>	<u>1,497,513</u>	<u>119,057</u>	<u>-</u>	<u>7,123</u>	<u>-</u>	<u>74,425</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>560,142</u>	<u>(756)</u>	<u>(47,469)</u>	<u>703</u>	<u>(2,610)</u>	<u>7</u>	<u>(72,931)</u>	<u>14</u>
OTHER FINANCING SOURCES (USES)									
Capital lease	-	-	65,956	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	-	-
Refunding of long-term debt	-	-	-	-	-	-	-	-	-
Discount on bond issue	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	98,609	-	-	-	-
Transfers out	-	(498,429)	(45,000)	-	(99,357)	-	-	-	(672)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(498,429)</u>	<u>20,956</u>	<u>-</u>	<u>(748)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(672)</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>61,713</u>	<u>20,200</u>	<u>(47,469)</u>	<u>(45)</u>	<u>(2,610)</u>	<u>7</u>	<u>(72,931)</u>	<u>(658)</u>
FUND BALANCES, JANUARY 1	<u>-</u>	<u>733,471</u>	<u>736,308</u>	<u>183,096</u>	<u>100,208</u>	<u>100,611</u>	<u>162</u>	<u>91,094</u>	<u>658</u>
FUND BALANCES, DECEMBER 31	<u>\$ -</u>	<u>795,184</u>	<u>756,508</u>	<u>135,627</u>	<u>100,163</u>	<u>98,001</u>	<u>169</u>	<u>18,163</u>	<u>-</u>

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	2006							
	Debt Service Funds							
	Brentwood Square							
	Debt Service Fund	Debt Service Reserve Fund	Economic Activity Tax Revenue Fund	Pilots Fund	Municipal Revenue Fund	Redemption Fund	Revenue Fund	Cost Of Issuance Fund
REVENUES								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Investment income	4,564	44,342	12,087	2,306	7,779	22,600	21	15
Total Revenues	<u>4,564</u>	<u>44,342</u>	<u>12,087</u>	<u>2,306</u>	<u>7,779</u>	<u>22,600</u>	<u>21</u>	<u>15</u>
EXPENDITURES								
Current:								
Municipal operating	-	-	15,685	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	281,052	240,161	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	350,000	-	-	-	-	370,000	-	-
Interest and fiscal charges	583,312	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-
Total Expenditures	<u>933,312</u>	<u>-</u>	<u>15,685</u>	<u>281,052</u>	<u>240,161</u>	<u>370,000</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(928,748)</u>	<u>44,342</u>	<u>(3,598)</u>	<u>(278,746)</u>	<u>(232,382)</u>	<u>(347,400)</u>	<u>21</u>	<u>15</u>
OTHER FINANCING SOURCES (USES)								
Capital lease	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	-
Refunding of long-term debt	-	-	-	-	-	-	-	-
Discount on bond issue	-	-	-	-	-	-	-	-
Transfers in	929,517	-	1,478,367	294,366	332,460	735,068	-	-
Transfers out	-	(99,213)	(1,463,214)	-	(99,583)	(6,145)	-	(2,431)
Total Other Financing Sources (Uses)	<u>929,517</u>	<u>(99,213)</u>	<u>15,153</u>	<u>294,366</u>	<u>232,877</u>	<u>728,923</u>	<u>-</u>	<u>(2,431)</u>
NET CHANGE IN FUND BALANCES	769	(54,871)	11,555	15,620	495	381,523	21	(2,416)
FUND BALANCES, JANUARY 1	737	907,440	617,409	273,757	160,952	318,712	456	2,416
FUND BALANCES, DECEMBER 31	<u>1,506</u>	<u>852,569</u>	<u>628,964</u>	<u>289,377</u>	<u>161,447</u>	<u>700,235</u>	<u>477</u>	<u>-</u>

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	2006											
	Debt Service Funds											
	Brentwood Promenade						Brentwood Pointe					
	Debt Service Reserve Fund	Economic Activity Tax Revenue Fund	Pilots Fund	Municipal Revenue Fund	Revenue Fund	Redemption Fund	Debt Service Reserve Fund	Debt Service Fund	Economic Activity Tax Revenue Fund	Pilots Fund	Redemption Fund	Municipal Revenue Fund
REVENUES												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	52,161	18,831	95	8,945	213	9,742	24,254	6,198	4,289	117	4,141	437
Total Revenues	<u>52,161</u>	<u>18,831</u>	<u>95</u>	<u>8,945</u>	<u>213</u>	<u>9,742</u>	<u>24,254</u>	<u>6,198</u>	<u>4,289</u>	<u>117</u>	<u>4,141</u>	<u>437</u>
EXPENDITURES												
Current:												
Municipal operating	-	1,693	-	-	6,588	-	-	-	14,284	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:												
Principal	-	-	-	-	-	1,915,000	-	375,000	-	-	235,000	-
Interest and fiscal charges	-	-	-	-	-	-	-	271,237	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>1,693</u>	<u>-</u>	<u>-</u>	<u>6,588</u>	<u>1,915,000</u>	<u>-</u>	<u>646,237</u>	<u>14,284</u>	<u>-</u>	<u>235,000</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>52,161</u>	<u>17,138</u>	<u>95</u>	<u>8,945</u>	<u>(6,375)</u>	<u>(1,905,258)</u>	<u>24,254</u>	<u>(640,039)</u>	<u>(9,995)</u>	<u>117</u>	<u>(230,859)</u>	<u>437</u>
OTHER FINANCING SOURCES (USES)												
Capital lease	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Refunding of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Discount on bond issue	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	2,118,676	904,954	802,771	44,434	1,911,245	-	373,853	544,514	205,467	439,570	66,912
Transfers out	(44,434)	(2,149,316)	(867,259)	(842,872)	(33,121)	-	(18,204)	-	(493,589)	(286,109)	-	(33,725)
Total Other Financing Sources (Uses)	<u>(44,434)</u>	<u>(30,640)</u>	<u>37,695</u>	<u>(40,101)</u>	<u>11,313</u>	<u>1,911,245</u>	<u>(18,204)</u>	<u>373,853</u>	<u>50,925</u>	<u>(80,642)</u>	<u>439,570</u>	<u>33,187</u>
NET CHANGE IN FUND BALANCES	7,727	(13,502)	37,790	(31,156)	4,938	5,987	6,050	(266,186)	40,930	(80,525)	208,711	33,624
FUND BALANCES, JANUARY 1	1,079,330	1,057,600	872,556	523,554	6,907	2,529	501,420	266,880	366,565	286,000	9,438	-
FUND BALANCES, DECEMBER 31	<u>1,087,057</u>	<u>1,044,098</u>	<u>910,346</u>	<u>492,398</u>	<u>11,845</u>	<u>8,516</u>	<u>507,470</u>	<u>694</u>	<u>407,495</u>	<u>205,475</u>	<u>218,149</u>	<u>33,624</u>

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	2006							
	Debt Service Funds							
	Police Station			Library		City Hall		
	Interest Fund	Principal Fund	Reserve Fund	Reserve Fund	Payment Fund	Reserve Fund	Payment Fund	Prepayment Fund
REVENUES								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	-
Investment income	236	395	11,088	4,405	303	4,922	346	9
Total Revenues	<u>236</u>	<u>395</u>	<u>11,088</u>	<u>4,405</u>	<u>303</u>	<u>4,922</u>	<u>346</u>	<u>9</u>
EXPENDITURES								
Current:								
Municipal operating	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	125,000	-	-	50,000	-	75,000	-
Interest and fiscal charges	128,365	-	-	-	48,385	-	9,148	-
Debt issuance costs	-	-	-	-	-	-	-	-
Total Expenditures	<u>128,365</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>98,385</u>	<u>-</u>	<u>84,148</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(128,129)</u>	<u>(124,605)</u>	<u>11,088</u>	<u>4,405</u>	<u>(98,082)</u>	<u>4,922</u>	<u>(83,802)</u>	<u>9</u>
OTHER FINANCING SOURCES (USES)								
Capital lease	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	-
Refunding of long-term debt	-	-	-	-	-	-	-	-
Discount on bond issue	-	-	-	-	-	-	-	-
Transfers in	126,129	135,681	-	-	100,493	-	84,975	-
Transfers out	-	(97)	(10,805)	(5,707)	-	(4,785)	-	-
Total Other Financing Sources (Uses)	<u>126,129</u>	<u>135,584</u>	<u>(10,805)</u>	<u>(5,707)</u>	<u>100,493</u>	<u>(4,785)</u>	<u>84,975</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(2,000)</u>	<u>10,979</u>	<u>283</u>	<u>(1,302)</u>	<u>2,411</u>	<u>137</u>	<u>1,173</u>	<u>9</u>
FUND BALANCES, JANUARY 1	<u>65,183</u>	<u>125,008</u>	<u>254,853</u>	<u>102,397</u>	<u>60</u>	<u>114,194</u>	<u>1,766</u>	<u>200</u>
FUND BALANCES, DECEMBER 31	<u>63,183</u>	<u>135,987</u>	<u>255,136</u>	<u>101,095</u>	<u>2,471</u>	<u>114,331</u>	<u>2,939</u>	<u>209</u>

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	2006					Totals	2005
	Debt Service Funds						
	Brentwood Eager Road						
Debt Service Reserve Fund	Debt Service Fund	Economic Activity Tax Revenue Fund	Pilots Fund	Redemption Fund			
REVENUES							
Taxes	-	-	-	-	-	3,849,884	3,692,768
Intergovernmental	-	-	-	-	-	-	231,694
Assessments	-	-	-	-	-	69,752	101,123
Investment income	35,468	2,940	4,296	657	1,909	324,739	246,878
Total Revenues	<u>35,468</u>	<u>2,940</u>	<u>4,296</u>	<u>657</u>	<u>1,909</u>	<u>4,244,375</u>	<u>4,272,463</u>
EXPENDITURES							
Current:							
Municipal operating	-	-	6,165	-	-	1,010,285	979,588
Economic development	-	-	-	-	-	7,123	86,284
Intergovernmental	-	-	-	-	-	521,213	-
Capital outlay	-	-	-	-	-	2,053,482	1,739,640
Debt service:							
Principal	-	-	-	-	420,000	4,265,000	3,485,000
Interest and fiscal charges	-	455,430	-	-	-	1,636,566	2,091,701
Debt issuance costs	-	-	-	-	-	-	464,968
Total Expenditures	<u>-</u>	<u>455,430</u>	<u>6,165</u>	<u>-</u>	<u>420,000</u>	<u>9,493,669</u>	<u>8,847,181</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>35,468</u>	<u>(452,490)</u>	<u>(1,869)</u>	<u>657</u>	<u>(418,091)</u>	<u>(5,249,294)</u>	<u>(4,574,718)</u>
OTHER FINANCING SOURCES (USES)							
Capital lease	-	-	-	-	-	65,956	-
Issuance of long-term debt	-	-	-	-	-	-	20,670,000
Refunding of long-term debt	-	-	-	-	-	-	(20,135,000)
Discount on bond issue	-	-	-	-	-	-	(46,338)
Transfers in	-	412,308	594,960	325,263	418,171	13,478,763	14,809,537
Transfers out	(29,018)	-	(519,284)	(282,177)	-	(7,934,546)	(9,469,643)
Total Other Financing Sources (Uses)	<u>(29,018)</u>	<u>412,308</u>	<u>75,676</u>	<u>43,086</u>	<u>418,171</u>	<u>5,610,173</u>	<u>5,828,556</u>
NET CHANGE IN FUND BALANCES	6,450	(40,182)	73,807	43,743	80	360,879	1,253,838
FUND BALANCES, JANUARY 1	<u>733,411</u>	<u>41,376</u>	<u>292,798</u>	<u>281,527</u>	<u>2,141</u>	<u>11,215,180</u>	<u>9,961,342</u>
FUND BALANCES, DECEMBER 31	<u>739,861</u>	<u>1,194</u>	<u>366,605</u>	<u>325,270</u>	<u>2,221</u>	<u>11,576,059</u>	<u>11,215,180</u>

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - CAPITAL IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>2006</u>		<u>2005</u>	
	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Actual</u>
REVENUES				
Taxes	\$ 1,400,000	1,406,705	6,705	1,286,714
Intergovernmental	30,000	-	(30,000)	50,000
Investment income	5,000	6,613	1,613	7,009
Total Revenues	<u>1,435,000</u>	<u>1,413,318</u>	<u>(21,682)</u>	<u>1,343,723</u>
EXPENDITURES				
Capital outlay	418,200	444,686	26,486	265,014
Debt service:				
Principal	295,000	295,000	-	280,000
Interest and fiscal charges	109,635	113,490	3,855	441,350
Total Expenditures	<u>822,835</u>	<u>853,176</u>	<u>30,341</u>	<u>986,364</u>
REVENUES OVER EXPENDI- TURES	612,165	560,142	(52,023)	357,359
OTHER FINANCING USES				
Transfers out	<u>(606,365)</u>	<u>(498,429)</u>	<u>(107,936)</u>	<u>(285,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,800</u>	61,713	<u>55,913</u>	<u>72,359</u>
FUND BALANCE, JANUARY 1		<u>733,471</u>		
FUND BALANCE, DECEMBER 31		<u>\$ 795,184</u>		

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION - SCHEDULE OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
STORMWATER AND PARK IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>2006</u>		<u>2005</u>	
	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Actual</u>
REVENUES				
Taxes	\$ 1,428,000	1,477,309	49,309	1,464,564
Intergovernmental	750,500	-	(750,500)	181,694
Investment income	8,000	19,448	11,448	8,420
Total Revenues	<u>2,186,500</u>	<u>1,496,757</u>	<u>(689,743)</u>	<u>1,654,678</u>
EXPENDITURES				
Capital outlay	2,049,505	1,415,314	(634,191)	1,291,437
Debt service:				
Principal	55,000	55,000	-	55,000
Interest and fiscal charges	35,000	27,199	(7,801)	29,896
Total Expenditures	<u>2,139,505</u>	<u>1,497,513</u>	<u>(641,992)</u>	<u>1,376,333</u>
REVENUES OVER (UNDER)	<u>46,995</u>	<u>(756)</u>	<u>(47,751)</u>	<u>278,345</u>
EXPENDITURES				
OTHER FINANCING SOURCES				
(USES)				
Capital lease	-	65,956	65,956	-
Transfers out	(45,000)	(45,000)	-	(170,000)
Total Other Financing Sources (Uses)	<u>(45,000)</u>	<u>20,956</u>	<u>65,956</u>	<u>(170,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,995</u>	<u>20,200</u>	<u>18,205</u>	<u>108,345</u>
FUND BALANCE, JANUARY 1		<u>736,308</u>		
FUND BALANCE, DECEMBER 31		<u>\$ 756,508</u>		

CITY OF BRENTWOOD, MISSOURI
OTHER SUPPLEMENTAL INFORMATION -
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER IMPROVEMENTS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2006
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>2006</u>		<u>2005</u>	
	<u>Original And Final Budgeted Amounts</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Actual</u>
REVENUES				
Assessments	\$ 134,000	69,752	(64,248)	101,123
Investment income	1,000	1,836	836	1,322
Total Revenues	<u>135,000</u>	<u>71,588</u>	<u>(63,412)</u>	<u>102,445</u>
EXPENDITURES				
Capital outlay	<u>134,552</u>	<u>119,057</u>	<u>(15,495)</u>	<u>49,307</u>
REVENUES OVER (UNDER) EXPENDITURES				
	448	(47,469)	(47,917)	53,138
OTHER FINANCING USES				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 448</u>	<u>(47,469)</u>	<u>(47,917)</u>	<u>3,138</u>
FUND BALANCE, JANUARY 1		<u>183,096</u>		
FUND BALANCE, DECEMBER 31		<u>\$ 135,627</u>		

STATISTICAL SECTION

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	68 - 72
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	73 - 74
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	75 - 81
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	82 - 83
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	84 - 86

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF BRENTWOOD, MISSOURI
NET ASSETS BY COMPONENT
LAST FOUR FISCAL YEARS

	December 31			
	2006	2005	2004	2003
Governmental Activities:				
Invested in capital assets, net of related debt	\$ 4,767,362	4,995,893	4,820,146	5,076,903
Restricted	12,045,190	11,704,408	10,651,319	10,097,193
Unrestricted (deficit)	<u>(44,978,425)</u>	<u>(45,547,540)</u>	<u>(50,225,929)</u>	<u>(51,862,925)</u>
 Total Governmental Activities Net Assets	 <u>\$ (28,165,873)</u>	 <u>(28,847,239)</u>	 <u>(34,754,464)</u>	 <u>(36,688,829)</u>

Source: Basic Financial Statements

GASB 34 was implemented in 2003.

CITY OF BRENTWOOD, MISSOURI

CHANGES IN NET ASSETS LAST FOUR FISCAL YEARS

	For The Years Ended December 31			
	2006	2005	2004	2003
EXPENSES				
Administrative	\$ 635,885	560,706	607,299	594,056
Police	2,584,987	2,441,618	2,391,698	2,387,886
Fire	2,000,789	1,898,674	1,829,485	1,710,786
Public works	1,219,086	1,088,749	1,176,670	1,078,608
Planning and development	223,760	248,717	241,684	238,679
Sanitation	641,898	511,893	503,929	-
Building maintenance	123,143	119,106	78,953	101,708
Recreation	1,449,934	1,335,594	1,219,654	1,252,710
Community services	174,835	223,544	151,564	747,829
Legislative	67,690	65,470	78,395	68,179
Judicial	92,993	86,437	86,768	92,942
Municipal operating	3,245,630	3,219,809	2,987,552	3,127,796
Library	544,685	574,016	413,432	434,720
Economic development	5,007,123	86,284	2,001,801	5,835,068
Intergovernmental	248,495	-	-	-
Interest on long-term debt	2,562,088	2,869,394	2,866,986	2,821,061
Total Expenses	<u>20,823,021</u>	<u>15,330,011</u>	<u>16,635,870</u>	<u>20,492,028</u>
PROGRAM REVENUES				
Charges for services:				
Administrative	11,253	6,746	8,893	11,047
Police	607,309	500,569	473,310	315,520
Fire	220,392	215,886	147,896	125,461
Public works	79,065	133,595	157,394	3,633
Planning and development	218,352	110,905	120,673	150,475
Sanitation	31,772	-	-	-
Recreation	915,218	880,245	854,497	876,447
Library	9,785	11,373	8,223	9,289
Operating grants and contributions	688,991	576,655	592,107	580,932
Capital grants and contributions	16,100	-	-	-
Total Program Revenues	<u>2,798,237</u>	<u>2,435,974</u>	<u>2,362,993</u>	<u>2,072,804</u>
NET REVENUES (EXPENSES)	<u>(18,024,784)</u>	<u>(12,894,037)</u>	<u>(14,272,877)</u>	<u>(18,419,224)</u>

(Continued)

CITY OF BRENTWOOD, MISSOURI
CHANGES IN NET ASSETS (Continued)
LAST FOUR FISCAL YEARS

	For The Years Ended December 31			
	2006	2005	2004	2003
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Taxes:				
Sales tax	12,550,558	12,665,792	11,791,840	10,236,603
Property taxes	3,368,671	3,209,684	2,151,231	2,311,686
Utility taxes	1,041,958	990,040	978,530	924,024
Other	1,176,026	1,368,159	973,697	923,844
Investment income	464,665	310,453	127,764	139,418
Gain on sale of capital assets	-	-	2,375	58,689
Miscellaneous	104,272	257,134	181,805	226,974
Total General Revenues And Other Changes In Net Assets	<u>18,706,150</u>	<u>18,801,262</u>	<u>16,207,242</u>	<u>14,821,238</u>
CHANGES IN NET ASSETS	<u><u>\$ 681,366</u></u>	<u><u>5,907,225</u></u>	<u><u>1,934,365</u></u>	<u><u>(3,597,986)</u></u>

Source: Basic Financial Statements

GASB 34 was implemented in 2003.

CITY OF BRENTWOOD, MISSOURI
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS

	December 31			
	2006	2005	2004	2003
General Fund:				
Reserved	\$ 90	68,586	-	58,045
Unreserved	1,273,493	747,229	500,365	711,380
Total General Fund	<u>\$ 1,273,583</u>	<u>815,815</u>	<u>500,365</u>	<u>769,425</u>
All other governmental funds:				
Reserved	\$ 9,993,165	9,630,963	8,554,681	7,108,572
Unreserved, reported in:				
Special Revenue Funds	555,068	592,163	812,373	833,622
Capital Projects Funds	1,903,815	1,945,608	1,799,712	2,808,788
Total All Other Govern- mental Funds	<u>\$ 12,452,048</u>	<u>12,168,734</u>	<u>11,166,766</u>	<u>10,750,982</u>

Source: Basic Financial Statements

GASB 34 was implemented in 2003.

CITY OF BRENTWOOD, MISSOURI
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS

	For The Years Ended December 31			
	2006	2005	2004	2003
REVENUES				
Taxes	\$ 17,575,846	17,415,111	15,525,483	13,833,713
Licenses and permits	1,394,378	1,368,159	1,091,349	1,139,569
Fines and forfeitures	433,514	332,353	309,000	247,588
Intergovernmental	90,929	262,094	33,659	89,424
Charges for services	1,165,018	1,117,401	1,015,996	963,449
Assessments	69,752	101,123	135,063	104,000
Investment income	464,665	310,453	127,764	139,419
Miscellaneous	561,023	333,882	371,362	262,956
Total Revenues	<u>21,755,125</u>	<u>21,240,576</u>	<u>18,609,676</u>	<u>16,780,118</u>
EXPENDITURES				
Administrative	590,299	587,323	551,774	543,495
Police	2,341,218	2,271,564	2,208,504	2,152,604
Fire	1,801,490	1,705,290	1,671,981	1,603,225
Public works	661,747	694,519	681,924	686,661
Planning and development	218,630	294,649	231,692	225,762
Sanitation	469,251	421,168	475,300	-
Building maintenance	63,546	59,621	57,997	49,054
Recreation	-	185,615	183,983	180,341
Community services	174,835	223,544	151,564	742,870
Legislative	67,690	65,470	78,395	68,179
Judicial	88,267	86,266	85,480	86,767
Municipal operating	3,659,916	3,466,833	3,286,494	2,779,906
Library	417,592	407,965	366,352	355,032
Economic development	5,007,123	86,284	2,000,000	5,835,068
Intergovernmental	521,213	-	-	-
Capital outlay	2,053,482	1,740,340	1,902,947	2,180,452
Debt service:				
Principal	5,665,000	4,835,000	4,630,000	2,731,955
Interest and fiscal charges	2,289,863	2,835,797	2,453,396	2,395,294
Debt issuance costs	-	464,968	358,946	228,287
Total Expenditures	<u>26,091,162</u>	<u>20,432,216</u>	<u>21,376,729</u>	<u>22,844,952</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,336,037)</u>	<u>808,360</u>	<u>(2,767,053)</u>	<u>(6,064,834)</u>
OTHER FINANCING SOURCES (USES)				
Capital lease	65,956	-	-	-
Issuance of long-term debt	5,000,000	20,670,000	9,510,000	2,440,880
Refunding of long-term debt	-	(20,135,000)	(6,528,667)	6,000,000
Discount on bond issue	-	(46,338)	(95,100)	-
Transfers in	15,719,335	17,540,782	15,773,981	11,086,248
Transfers out	(15,719,335)	(17,540,782)	(15,773,981)	(11,086,248)
Sale of capital assets	11,163	20,396	27,544	136,689
Total Other Financing Sources (Uses)	<u>5,077,119</u>	<u>509,058</u>	<u>2,913,777</u>	<u>8,577,569</u>
NET CHANGES IN FUND BALANCES	<u>\$ 741,082</u>	<u>1,317,418</u>	<u>146,724</u>	<u>2,512,735</u>
Debt service as a percentage of noncapital expenditures	33.1 %	44.6	38.9	26.2

Source: Basic Financial Statements

CITY OF BRENTWOOD, MISSOURI
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST FOUR FISCAL YEARS

Function/Program	Program Revenues			
	2006	2005	2004	2003
Governmental activities:				
Administrative	\$ 11,253	6,746	8,893	11,047
Police	611,740	526,099	485,375	315,520
Fire	220,392	215,886	147,896	125,461
Public works	739,427	679,850	719,460	524,270
Sanitation	49,989	-	-	-
Planning and development	218,352	110,905	120,673	150,475
Recreation	931,318	880,245	854,497	924,447
Community services	-	-	-	12,295
Library	15,766	16,243	26,199	9,289
Total Governmental Activities	<u>\$ 2,798,237</u>	<u>2,435,974</u>	<u>2,362,993</u>	<u>2,072,804</u>

GASB 34 was implemented in 2003.

CITY OF BRENTWOOD, MISSOURI
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST FOUR FISCAL YEARS

For The Years Ended December 31	Sales Tax	Property Taxes	Utility Taxes	Other	Total
2006	\$ 12,550,558	\$ 3,384,651	\$ 1,041,958	\$ 598,679	\$ 17,575,846
2005	12,665,792	3,209,684	990,040	549,595	17,415,111
2004	11,791,840	2,109,415	978,530	645,698	15,525,483
2003	10,104,650	2,394,874	924,024	410,165	13,833,713

CITY OF BRENTWOOD, MISSOURI
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS (1)
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
City of Brentwood	0.7300	0.6800	0.5800	0.5600	0.4130	0.6070	0.7100	0.6600	0.6600	0.5810
Overlapping governments:										
State of Missouri	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
County General	0.1900	0.1900	0.2550	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900
County Park Maintenance	0.0350	0.0350	0.0450	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350
County Bond Retirement	0.0630	0.0630	0.0000	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850
Roads and Bridges	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
County Health	0.1650	0.1650	0.1750	0.1650	0.1650	0.1650	0.1650	0.1650	0.1650	0.1650
St. Louis Community College	0.2233	0.2231	0.2368	0.2312	0.2320	0.2300	0.2400	0.2400	0.2400	0.2400
Special School District	0.8235	0.8399	0.9051	0.8600	0.8490	0.8350	0.6230	0.6200	0.6400	0.6200
Metro Zoo	0.2611	0.2654	0.2756	0.2260	0.2220	0.2220	0.2320	0.2270	0.2320	0.2320
Sheltered Workshop	0.0900	0.0900	0.8500	0.8500	0.8500	0.8500	0.8500	0.8500	0.8500	0.8500
Brentwood School District	3.4400	3.4700	3.5100	3.6000	2.9450	2.7420	2.7950	2.8100	2.8100	2.8100
Metro Sewer District	0.0687	0.0686	0.0690	0.0690	0.0690	0.0690	0.0700	0.0700	0.0700	0.0700
Deer Creek Sewer	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Black Creek Sewer	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Anti Pollution	-	-	-	-	-	-	0.0200	0.0200	0.0200	0.0200

(1) Source - St. Louis County Collector (rates stated per \$100 assessed valuation)

CITY OF BRENTWOOD, MISSOURI
ASSESSED AND ESTIMATED ACTUAL VALUE OF
TAXABLE PROPERTY (1)
LAST TEN FISCAL YEARS

For The Years Ended December 31	Real Property	Personal Property	Railroads And Utilities	Total	
				Assessed Value	Estimated Actual Value
2006	\$ 226,129,740	\$ 38,300,390	\$ 2,254,615	\$ 266,684,745	\$ 1,093,789,203
2005	226,097,420	38,439,770	2,327,843	266,865,033	1,092,795,435
2004	194,439,620	36,720,710	2,233,241	233,393,571	943,974,664
2003	191,408,210	40,049,881	2,144,724	233,602,815	943,953,854
2002	180,603,360	40,730,936	2,198,944	223,533,240	897,595,882
2001	176,122,630	40,480,043	2,680,923	219,283,596	884,800,967
2000	149,691,370	41,943,098	2,482,490	194,116,958	769,383,925
1999	149,163,850	37,961,028	2,643,657	189,768,535	755,908,636
1998	136,725,410	36,652,201	2,624,643	176,002,254	699,093,910
1997	129,135,130	35,464,256	2,611,584	167,210,970	672,653,860

(1) Source: St. Louis County Assessor

CITY OF BRENTWOOD, MISSOURI
PRINCIPAL TAXPAYERS (1)
CURRENT YEAR AND FIVE YEARS AGO

Taxpayer	2006			2001		
	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage Of Total City Taxable Assessed Value
Orax Sansone Brentwood LLC	\$ -	-	- %	\$ 11,077,700	1	5.05 %
Eager Road Associates West LLC	6,792,350	1	2.55	-	-	-
GS Brentwood LLC	6,713,570	2	2.52	-	-	-
St. Louis Brentwood Associates	6,604,580	3	2.48	6,344,030	2	2.89
Pace Brentwood Partners LLC	5,673,640	4	2.13	-	-	-
Home Depot USA, Inc.	4,489,910	5	1.68	3,626,050	4	1.65
GS Sansone Brentwood LLC	4,050,240	6	1.52	-	-	-
DP Brentwood LLC	3,715,400	7	1.39	-	-	-
Center 40 LLC	3,200,000	8	1.20	-	-	-
Dierbergs Markets	2,141,020	9	0.80	-	-	-
Ice Cream Specialties, Inc.	2,128,780	10	0.80	1,777,370	8	0.81
St. Louis Executive Centre 40, Inc.	-	-	-	3,361,590	3	1.53
Regents III LLC	-	-	-	2,329,560	5	1.06
Meridian Medical Technologies, Inc.	-	-	-	2,206,590	6	1.01
Purina Mills	-	-	-	1,839,240	7	0.84
Margulis, Jeanne Marie, Trustee	-	-	-	1,482,110	9	0.68
Trippos Realty LLC	-	-	-	1,423,490	10	0.65
	<u>\$ 45,509,490</u>		<u>17.07 %</u>	<u>\$ 35,467,730</u>		<u>16.17 %</u>

(1) Source: St. Louis County Assessor

CITY OF BRENTWOOD, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS (1)
LAST TEN FISCAL YEARS

For The Years Ended December 31	Original Tax Levy	Net Tax Levy (2)	Current Tax Collections	Percent Collected As Current	Delinquent Tax Collections (Refunds)	Total Tax Collections	Total Collections As Percent Of Levy	Outstanding Delinquent Taxes (3)	Outstanding Delinquent Taxes As Percent Of Levy
2006	\$ 1,675,283	\$ 1,675,283	\$ 1,573,093	93.9 %	\$ 247,665	\$ 1,820,758	108.7 %	\$ 137,716	8.22 %
2005	1,540,481	1,543,206	1,285,836	83.3	42,037	1,327,873	86.0	280,366	18.17
2004	1,163,573	1,163,954	1,101,339	94.6	148,768	1,250,107	107.4	86,395	7.42
2003	1,131,046	1,132,326	967,579	85.5	52,146	1,019,725	90.1	184,483	16.29
2002	864,750	864,163	819,271	94.8	72,056	891,327	103.1	68,805	7.96
2001	1,267,919	1,267,963	1,195,151	94.3	94,010	1,289,161	101.7	87,868	6.93
2000	1,305,603	1,306,523	1,212,389	92.8	77,633	1,290,022	98.7	113,303	8.67
1999	1,182,250	1,182,761	1,075,411	90.9	62,675	1,138,086	96.2	129,767	10.97
1998	1,112,760	-	1,051,064	94.5	72,054	1,123,118	100.9	-	-
1997	969,290	-	892,827	92.1	60,537	953,364	98.4	-	-

(1) Source: St. Louis County Collector's office

(2) Originally adjusted for strikeouts and additions by St. Louis Board of Equalization after 1978.

(3) Total cumulative delinquent taxes outstanding as of December 31 of prior year.

Note: Adjusted tax levy and outstanding delinquent tax information is not available for 1990 through 1998.

CITY OF BRENTWOOD, MISSOURI
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

For The Years Ended December 31	Governmental Activities								
	Notes Payable	Capital Lease Obligation	Tax Increment Revenue Bonds	Tax Increment Revenue Notes	General Obligation Bonds	Certificates Of Participation	Total Primary Government	Percentage Of Personal Income (1)	Per Capita
2006	\$ -	\$ 61,249	\$ 41,595,000	\$ 5,000,000	\$ 2,475,000	\$ 4,285,000	\$ 53,416,249	20.53 %	\$ 7,253
2005	-	-	46,660,000	-	2,825,000	4,535,000	54,020,000	20.76	7,335
2004	-	-	50,385,000	-	3,160,000	4,775,000	58,320,000	21.95	7,756
2003	-	-	44,320,000	6,000,000	3,475,000	5,645,000	59,440,000	22.37	7,905
2002	-	176,955	46,460,000	-	3,775,000	3,300,000	53,711,955	22.78	6,982
2001	-	-	48,025,000	-	4,060,000	-	52,085,000	22.09	6,770
2000	-	-	25,155,000	-	4,330,000	-	29,485,000	12.51	3,833
1999	334,573	-	25,865,000	-	4,585,000	-	30,784,573	18.97	4,072
1998	422,745	-	26,310,000	-	4,815,000	-	31,547,745	19.26	4,136
1997	504,964	-	-	-	4,955,000	-	5,459,964	3.29	706

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Demographics and Economic Statistics Table.

CITY OF BRENTWOOD, MISSOURI
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2006

<u>Name Of Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share Of Overlapping Debt</u>
St. Louis County	\$ 88,615,000	1.23 %	\$ 1,089,965
Brentwood School District	8,030,000	98.00	7,869,400
	<u>96,645,000</u>		<u>8,959,365</u>
City direct debt	<u>2,475,000</u>	100.00 %	<u>2,475,000</u>
Total Direct And Overlapping Debt	<u><u>\$ 99,120,000</u></u>		<u><u>\$ 11,434,365</u></u>

Source: Information was obtained by contacting the Taxing Jurisdiction and the St. Louis County Collector's office. The percentage applicable to the City is based on the jurisdiction's assessed value within the boundaries of the City.

CITY OF BRENTWOOD, MISSOURI
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	December 31									
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
Debt limit	\$ 26,668,475	26,686,503	23,339,357	23,360,282	22,353,324	21,928,360	19,411,696	18,976,854	17,600,225	16,721,097
Net debt applicable to limit	<u>2,475,000</u>	<u>2,825,000</u>	<u>3,160,000</u>	<u>3,475,000</u>	<u>3,775,000</u>	<u>4,060,000</u>	<u>4,330,000</u>	<u>4,585,000</u>	<u>4,815,000</u>	<u>4,955,000</u>
Legal Debt Margin	<u>\$ 24,193,475</u>	<u>23,861,503</u>	<u>20,179,357</u>	<u>19,885,282</u>	<u>18,578,324</u>	<u>17,868,360</u>	<u>15,081,696</u>	<u>14,391,854</u>	<u>12,785,225</u>	<u>11,766,097</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	9.28 %	10.59	13.54	14.88	16.89	18.51	22.31	24.16	27.36	29.63

Note: Bonded indebtedness is limited by Sections 95.111 and 95.120 of the Missouri Revised Statutes (1986) to 10% of the assessed value of taxable tangible property.

CITY OF BRENTWOOD, MISSOURI
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

For The Years Ended December 31	Population (1)	Median Age (1)	Personal Income (1)	Per Capita Income (1)	Unemployment Rate (2)
2006	7,365	35.6	\$ 260,234,910	\$ 35,334	2.8
2005	7,365	35.6	260,234,910	35,334	3.2
2004	7,519	35.6	265,676,346	35,334	3.4
2003	7,519	35.6	265,676,346	35,334	3.2
2002	7,693	35.6	235,751,985	30,645	2.9
2001	7,693	35.6	235,751,985	30,645	2.4
2000	7,693	35.6	235,751,985	30,645	1.7
1999	7,560	-	162,298,080	21,468	NA
1998	7,628	-	163,757,904	21,468	NA
1997	7,736	-	166,076,448	21,468	NA

(1) Source: U.S. Bureau of Census

(2) Source: Missouri Department of Economic Development

CITY OF BRENTWOOD, MISSOURI
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO

Employer	2006			1997		
	Employees	Rank	Percent Of Total City Employment	Employees	Rank	Percent Of Total City Employment
Target	244	1	1.08 %	NA	NA	NA %
Whole Foods Market	238	2	1.06			
Creve Coeur Mortgage Associates	206	3	0.92			
Home Depot	190	4	0.84			
Dierbergs Brentwood Pointe	182	5	0.81			
Meridian Medical Technologies	160	6	0.71			
Best Buy	133	7	0.59			
Zip Mail Services	132	8	0.59			
Tripos Inc.	100	9	0.44			
Otis Elevator Company	100	10	0.44			
Roman Company	92	11	0.41			
Southern Graphic Systems, Inc.	90	12	0.40			
Romano's Macaroni Grill	88	13	0.39			
Industrial Engineering & Equipment Co., Inc.	83	14	0.37			
Trader Joe's	79	15	0.35			
Schiler, W. & Co., Inc.	75	16	0.33			
Hampton Envelope Company	72	17	0.32			
Houlihan's	72	18	0.32			
Recreational Equipment, Inc.	63	19	0.28			
Privatebank	59	20	0.26			
Rosi Academy d/b/a Martha Rounds	58	21	0.26			
Walgreen's	54	22	0.24			
Circuit City	54	23	0.24			
South Side Roofing Company	52	24	0.23			
Frederic Roofing Company, Inc.	50	25	0.22			
Ideacom Midwest, Inc.	48	26	0.21			
	<u>2,774</u>		<u>12.31 %</u>	<u>-</u>		<u>- %</u>

Source: The City's Planning Department

Note: Employment figures from 1997 cannot be obtained by the City.

CITY OF BRENTWOOD, MISSOURI
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full-Time Equivalent Employees As Of December 31									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General government:										
Legislative services	9	9	9	9	9	9	9	9	9	9
Administrative services	5	5	5	5	5	5	5	5	5	5
Information services	1	1	1	1	1	-	-	-	-	-
Maintenance of municipal property	1	1	1	1	1	1	1	1	1	1
Municipal court	1	1	1	1	1	1	1	1	1	1
Finance	3	3	3	3	3	3	3	3	3	3
Police:										
Officers	16	16	15	15	15	15	14	14	14	14
Civilians	7	7	6	6	6	6	5	5	5	5
Public works:										
Administration	4	4	4	4	4	4	4	4	4	4
Street maintenance	14	14	14	14	14	13	13	13	13	13
Parks maintenance	7	7	7	7	7	7	8	8	8	8
Community development	1	1	1	1	1	1	1	1	1	1
Ice arena	3	3	3	3	3	3	3	3	3	3

CITY OF BRENTWOOD, MISSOURI
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Years									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Police-patrol:										
Arrests	774	731	785	793	812	1,314	1,413	1,267	808	632
Traffic citations	5,931	5,482	4,938	4,390	5,359	6,226	5,704	5,293	3,983	2,142
Crime reports	1,836	1,677	1,809	1,988	1,973	1,439	1,694	2,427	1,135	1,074
Accident reports	423	435	483	483	470	517	528	505	521	496
Warrants	1,900	1,518	NA	NA	NA	NA	NA	NA	NA	NA
Public works:										
Road repair-tons of mix-STR	140	187	-	219	61	94	-	215	-	-
Weed violations issued-HW	28	32	27	43	50	12	15	22	30	23
Acres mowed and maintained-P	26	72	72	72	72	72	72	72	46	46
Trees and shrubs planted-P	171	73	49	66	509	36	171	184	-	-
Planning and building:										
Site development/concept plans-PL	10	4	3	3	5	2	9	3	5	10
Rezoning applications-PL	2	-	6	-	1	-	5	4	4	-
Text amendments-PL	2	-	2	2	4	2	3	2	1	2
Building permits issued-BI	358	361	341	341	257	632	274	274	247	366
Building inspections completed-BI	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Finance and administration:										
Merchant licenses issued-F	698	703	682	707	705	NA	NA	NA	NA	NA
Payroll checks issued-F	3,563	2,728	3,213	3,107	3,248	3,208	3,388	2,912	2,988	2,556
Accounts payable processed-F	3,802	3,892	3,948	3,725	3,320	2,895	2,765	NA	NA	NA
Website visits-AD	186,907	137,871	88,232	53,175	NA	NA	NA	NA	NA	NA
Requests for public records-LEG	5	8	3	4	6	2	10	4	2	5

CITY OF BRENTWOOD, MISSOURI
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Years									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Marked patrol units	15	15	15	15	16	16	16	16	16	16
Public works:										
Miles of streets	44	44	44	44	44	44	44	44	44	44
Street lights and signals	629	629	629	629	629	629	629	629	629	629
Parks and recreation:										
Number of parks	7	7	7	7	6	6	6	6	6	6
Acres of parks	45	45	45	45	45	45	45	45	45	45
Ice arena	1	1	1	1	1	1	1	1	1	1

COMPLIANCE SECTION



Hochschild, Bloom & Company LLP

Certified Public Accountants
Consultants and Advisors

**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**

June 27, 2007

Honorable Mayor and Board of Aldermen
CITY OF BRENTWOOD, MISSOURI

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **CITY OF BRENTWOOD, MISSOURI** (the City) as of and for the year ended December 31, 2006, and have issued our report thereon dated June 27, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's 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 City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

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

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.

Our 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. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

However, we noted certain matters involving the internal control over financial reporting that we have reported to the management of the City in a separate letter dated June 27, 2007.

This report is intended solely for the information and use of management, 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.

Hochschild, Bloom & Company LLP

CERTIFIED PUBLIC ACCOUNTANTS