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1-1-2006

## Comprehensive Annual Financial Report, 2005

City of St. Peters

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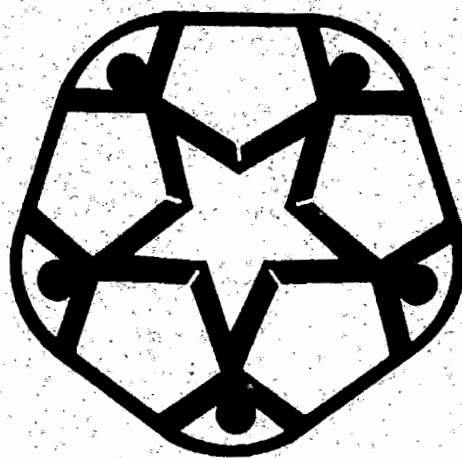
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# CITY OF ST. PETERS, MISSOURI

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*Comprehensive Annual Financial Report*  
*Fiscal year ended September 30, 2005*



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***CITY OF ST. PETERS, MISSOURI***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2005***

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Report issued by the Office of Administration

Timothy M. Wilkinson  
Assistant City Administrator

Beth A. French  
Director of Finance

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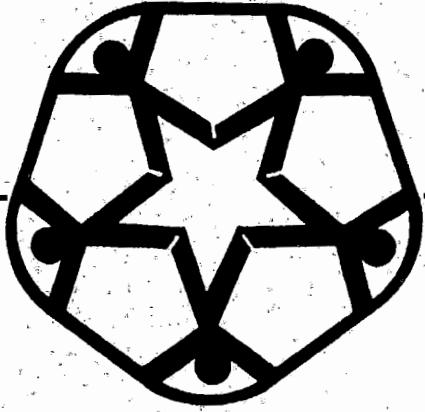
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# Part I - Introductory Section



December 7, 2005

To the Citizens of the City of St. Peters, Missouri:

The comprehensive annual financial report of the City of St. Peters, Missouri (City) for the fiscal year ended September 30, 2005, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management of the City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

In addition, state statutes require an annual audit by independent certified public accountants. The accounting firm of RubinBrown LLP was retained by the City. The independent auditors' report on the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information is included in the financial section of this report.

GAAP require 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 MD&A and should be read in conjunction with it. The City of St. Peters' MD&A can be found immediately following the report of the independent auditors.



## PROFILE OF THE GOVERNMENT

The City of St. Peters, incorporated in 1910, is a fourth class city located in St. Charles County, Missouri. The City currently occupies a land area of 22.059 square miles and services a population of approximately 55,000. The City is traversed by Interstate 70 which provides direct access to St. Louis, approximately 20 miles east of the City, and to Kansas City, approximately 220 miles west of the City. Regularly scheduled air passenger and freight service is available at Lambert St. Louis International Airport located approximately 12 miles east of the City on Interstate 70. Commercial air service is available at two private airports within St. Charles County and at a public airport operated by St. Charles County. Barge service is available on the Mississippi River located approximately 5 miles from St. Peters. The City is served by two railroads; the Norfolk & Southern and the Burlington-Northern, and three common-carrier truck lines.

The legislative body of the City is the Board of Aldermen, which is comprised of eight aldermen and a mayor. Two aldermen are elected from each of the City's four wards and serve four-year terms. The Mayor, elected at large to serve a four-year term, is the presiding officer of the Board of Aldermen. The Mayor may vote in the event of a tie vote by the Board of Aldermen. Additionally, the Mayor has veto power. A city administrator is appointed by the Mayor with the advice and consent of the Board of Aldermen. The city administrator is the chief assistant to the Mayor and is responsible for the day-to-day management of the City's business and staff. The city administrator is also responsible for the employment and discharge of City employees under policies established by the Board of Aldermen. In addition, the City has an assistant city administrator who is appointed by the Mayor with the advice and consent of the Board of Aldermen.

The City has several advisory boards and committees composed of citizens appointed by the Mayor with the advice and consent of the Board of Aldermen. The advisory boards and committees include, among others, e-Government Advisory Committee; TIF Commissions; Personnel Review Board; the Parks, Recreation and Arts Advisory Board; Historical Commission; the Cable Advisory Board; Golf Citizens Monitoring Committee; Outpatient Surgical Treatment Center Medical Review Board; Solid Waste Environmental Issues Advisory Board; St. Peters Youth Council; and the Mayor's Beautification Committee. In addition, the Mayor, with the advice and consent of the Board of Aldermen, appoints citizens to other boards and commissions which have responsibility for governmental functions relating to zoning and building codes. These boards and commissions are the Planning and Zoning Commission, the Board of Adjustment, and the Board of Appeals.

The City has approximately 501 full-time equivalent employees and provides a full range of services, including police protection; the construction and maintenance of roads, bridges and other infrastructure within the City; programs to assist low to moderate income residents; storm water control programs; and recreational activities and cultural events. In addition, the City provides water and sewer services, solid waste collection, and operates a solid waste transfer facility and recycling center.

Annually, the City's long-range Capital Improvement Plan for the General Fund, Recreation Fund, Local Parks and Storm Water Fund, Old Town Levee Special Allocation Fund, Transportation Trust Fund, Central Materials Processing Fund, Solid Waste Fund, and Water/Sewer Fund is re-evaluated and updated. The Mayor, Board of Aldermen, City Administrator and Assistant City Administrator work together to set the goals, which are based upon input from citizens, the Mayor and Board of Aldermen and City staff, for the City of St. Peters for the upcoming fiscal year. A Capital Improvement Plan is then approved and serves as the blueprint for the preparation of future budgets.

Incorporating the Capital Improvement Plan, the City Administrator prepares an annual budget for the General, Special Revenue, and Debt Service Funds for the fiscal year commencing the following October. In addition, budgets for the Central Materials Processing, Solid Waste, and Water Sewer Funds are prepared on a basis similar to that of the general governmental funds in order to better manage these funds. Expenditures may not legally exceed appropriation at the fund level.

After a proposed budget is prepared, it is submitted to the Board of aldermen for review. The Board of Aldermen may revise, alter, increase or decrease the items contained in the proposed budget, provided that total authorized expenditures from any fund do not exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. Following public hearings on the proposed budget, the annual operating budgets are approved through the adoption of the budget ordinance by the affirmative vote of a majority of the members of the Board of Aldermen and approval by the Mayor on or before September 1 of the preceding budget year. If the budgets have not been passed and approved on or before the last day preceding the budget year (September 30), the budgets and appropriations for the current fiscal year shall be deemed to be re-budgeted and re-appropriated for the budget year until a new budget is adopted and approved.

The City Administrator is authorized to transfer part, or all, of any unexpended balance among any departments within a given fund. If it is determined that the original budgeted revenues and expenditures need to be increased or decreased, the Board of Aldermen may, by ordinance, make such changes in budgeted revenues and expenditures so long as the total budgeted expenditures do not exceed the amount of budgeted revenues plus beginning unencumbered fund balance. If it appears probable that revenues available will be insufficient to meet the amount appropriated, the Board of Aldermen may, by ordinance, reduce one or more appropriations.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's Board of Aldermen. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year-end. All encumbrances are supported by either a purchase order or a contract.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## FACTORS AFFECTING FINANCIAL CONDITION

### Local Economy

The City's diversified economy and commercial growth is attributable to its transportation network, central location in the United States, and expanding resources of labor and materials. Residential growth has been considerable as an outgrowth of expanded employment opportunities in the area. At the same time, the City continues to grow as a suburban community.

The City currently has approximately 2,425 business establishments, which is an increase of approximately 8% from the prior year. There are several major shopping corridors in St. Peters and the City serves as a shopping hub to surrounding communities located throughout St. Charles County. The City's retail service area encompasses an estimated 30-mile radius with a population of approximately 350,000 in the 10-mile radius immediately surrounding the City.

The largest shopping center in St. Peters, Westfield Shoppingtown Mid Rivers (the "Mall"), is also the largest shopping center in St. Charles County. The approximately 1,000,000 square feet Mall opened in 1987. The mall has four anchors including J.C. Penney, Sears, Famous Barr and Dillards.

Due to these factors, over the past the City has been able to reduce the property tax rate from \$1.85 per hundred dollars of valuation in 1970 to 85 cents per hundred dollars of valuation (58.90 cents in the General Fund and 26.10 cents in the Debt Service Fund) without cutting any City services. The assessed valuation for the City of St. Peters continues to increase and revenues received during the 2005 fiscal year were based upon \$858,143,527 of assessed valuation.

The population of St. Peters is younger than the national average and of the state of Missouri. The median age of the population in 2000 was 34.2 years compared to 36.1 years for Missouri. Approximately 37% of St. Peters' residents are under the age of 25 years. Older adults, 65 years and above, comprise 7.8% of the population.

According to statistics from the United States Bureau of Census, in 2000, the City's civilian labor force was 28,956. The total number of people that were unemployed was 619, which was an unemployment rate of 2.1%. The City's unemployment rate compared favorably to St. Charles County which had an unemployment rate of 2.8%.

In addition, St. Peters' residents over the age of three enrolled in school totaled 15,841. The percentage of the City's adult population who graduated from high school was 91.4% and 27.2% of the population obtained a bachelor's degree or higher. This compares favorably to the State of Missouri which had a population graduated from high school of 81.3% and a population obtaining a bachelor's degree or higher of 21.6%.

#### Cash Management

Cash on hand during the year was invested in demand deposits, money market funds, certificates of deposit, and obligations of the U.S. Treasury. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Most City investments are in instruments that have a maturity of less than one year. This is necessary because surplus funds must be available for the next fiscal year should the Board of Aldermen decide to appropriate these monies. All City deposits and investments are either insured by federal depository insurance, collateralized, or held by the counterparty's trust department or agent in the City's name. Acceptable collateral are obligations of the U. S. Treasury, U. S. government agencies, State of Missouri, and local governments in Missouri with populations greater than 400,000. The City's primary investment risk is "Reinvestment Risk". This is the risk that the City's short-term investments may be reinvested at lower yields upon maturity.

## Risk Management

Since July 1998 the City has had self-insurance for its general liability, property and workmen's compensation claims. The self-insurance program is administered through a structured program involving a major broker and third party claims administrator. Losses are limited through the purchase of umbrella insurance policies, which limit losses at the individual claim level and at an annual aggregate of all claims combines for a year. Prior to 1998 the City participated in a self-insurance pool with other Missouri municipalities.

## OTHER INFORMATION

### Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Peters for our Comprehensive Annual Financial Report for the fiscal year ended September 30, 2004. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City of St. Peters has received this prestigious award since 1991. We believe this report continues to conform to the Certificate of Achievement Program requirements. Since the Certificate of Achievement is valid for a period of one year only, we will be submitting this report to the GFOA for their review.

### Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department and all City employees who supplied information have my sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership, interest, and support of the City Administrator, the Assistance City Administrator, Mayor, and Board of Aldermen, preparation of this report would not have been possible. In addition, I commend the dedicated efforts of Rita Westerson, Accounting Manager, and the finance department personnel for their efforts in preparation of this report.

Respectfully submitted,



Beth A. French  
Director of Finance

# City of St. Peters Missouri

## Mayor

Shawn C. Brown

## Aldermen

### Ward I

Terry Hawkins

John "Rocky" Reitmeyer

### Ward II

Jerry Hollingsworth

David Hayes

### Ward III

Len Pagano

Bruce Holt

### Ward IV

Patrick Barclay

Bob Morrison

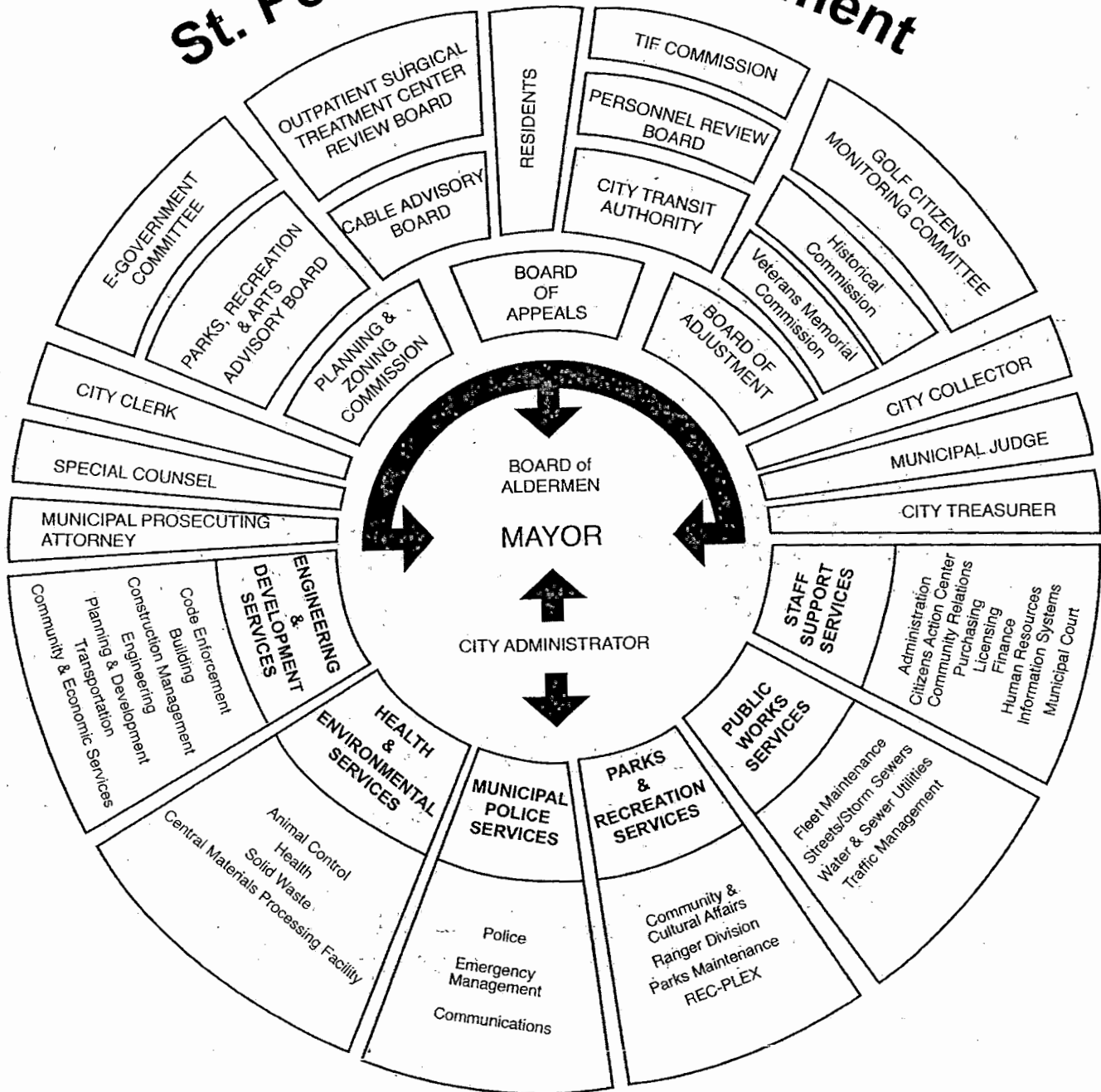
## City Administrator

William P. Charnisky

## Assistant City Administrator

Timothy M. Wilkinson

# Organizational Structure St. Peters City Government



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Peters,  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2004

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.



*Nancy L. Zjella*

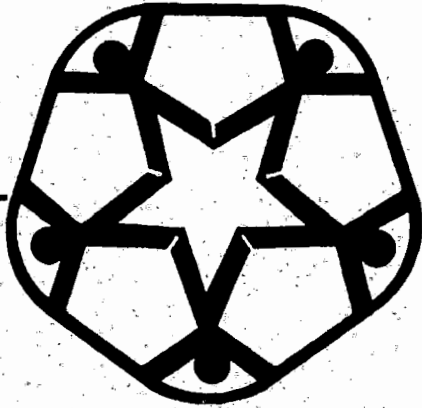
President

*Jeffrey R. Emer*

Executive Director



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## **Part II - Financial Section**

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RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

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Saint Louis, MO 63105

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## Independent Auditors' Report

The Honorable Mayor and Members  
of the Board of Aldermen  
City of St. Peters, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of St. Peters, Missouri, as of and for the year ended September 30, 2005, which collectively comprise the City of St. Peters, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of St. Peters, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

As described in Note 2 of the financial statements, the Board has adopted the provisions of the Governmental Accounting Standards Board Statement No. 40, "Deposits and Investment Risk Disclosures, an amendment of GASB Statement No. 3", as of and for the year ended September 30, 2005.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of St. Peters, Missouri, as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Honorable Mayor and Members  
of the Board of Aldermen  
City of St. Peters, Missouri

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The Management's Discussion and Analysis on pages 3 through 16, the Pension related required supplementary information on page 44, and the Budgetary Comparison Information on pages 58 through 61, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 of St. Peters, Missouri's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules (supplementary information) and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*RubinBrown LLP*

December 7, 2005 (Except Note 14  
to the basic financial statements, which is  
as of January 19, 2006)

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**Management's Discussion And Analysis**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of St. Peters's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2005. Please read this section in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities (net assets) at the end of the fiscal year by approximately \$112 million. Net assets is comprised of: \$70.3 million invested in capital assets, net of related debt; \$15.7 million restricted for capital projects, debt service and other purposes; \$14.9 million unrestricted and available for governmental purposes; and \$11.1 million unrestricted and available for the City's business-type activities.
- The City's total net assets increased approximately \$11.5 million over the course of this year's operations. Governmental activities increased by \$10 million, and business-type activities increased by approximately \$1.5 million.
- During the fiscal year the City issued general obligation refunding bonds of \$22,500,000 (Series 2005), with a 4.08% interest rate for the purpose of financing Redevelopment Project Costs for the St. Peters Lakeside Redevelopment Project.
- The assessed valuation for real estate and personal property (excluding the City's Special Districts) increased by over \$12.6 million during fiscal year 2005. In the Special Districts, assessed valuation for real estate and personal property increased by almost \$2 million or 7.1%.
- The City of St. Peters placed \$11 million of infrastructure assets into service during fiscal year 2005.

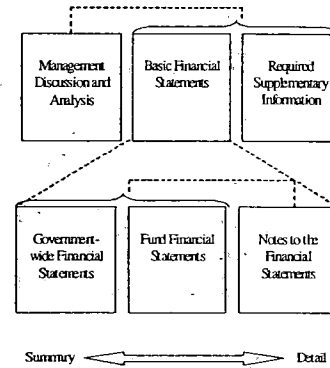
### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section); the basic financial statements; required supplementary information; and an optional section that presents schedules for non-major budgeted governmental funds, budget-based schedules for enterprise activities, and statistical information for the City. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short-and long-term financial information about the activities the government operates like businesses, such as the water and sewer system.

Figure MDA-1  
Required Components of the City of St. Peter's  
Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure MDA-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds which are added together and presented in a single column in the basic financial statements.

Figure MDA-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and content of each of the statements.

**Figure MDA-2**  
Major Features for the City of St. Peters Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
<b>Scope</b>	Entire City government (except fiduciary Funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police and parks	Activities the City operates similar to private businesses: the waterworks and sanitary sewerage system, the solid waste activities, the City's transfer station and recycling facility (Central Materials Processing Facility), and the Public Improvement Corporation
<b>Required Financial Statements</b>	Statement of net assets  Statement of activities	Balance Sheet  Statement of revenues, expenditures, and changes in fund balances	Statement of net assets  Statement of revenues, expenditures, and changes in net assets  Statement of cash flows
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability information</b>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<b>Type of inflow/outflow information</b>	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenue and expenses during year, regardless of when cash is received or paid

## GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash was received or paid.

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

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



The government-wide financial statements of the City are divided into two categories:

- *Governmental activities*—Most of the City's basic services are included here, such as the police, public works, parks department, and general administration. Property taxes and sales taxes finance most of these activities.
- *Business-type activities*—The City charges fees to cover the costs of certain services it provides. The City's waterworks and sewerage system, solid waste collections, transfer station and recycling facility and Public Improvement Corporation are included here.

## Financial Analysis Of The City As A Whole

### Net Assets

The following table reflects the condensed statements of net assets as of September 30:

Table MDA-3  
City of St. Peters's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2005	2004	2005	2004	2005
Current and other assets	\$ 28,847,314	\$ 54,161,105	\$ 22,178,344	\$ 21,737,827	\$ 51,025,658	\$ 75,898,932
Capital assets (net of depreciation)	77,566,743	83,643,066	45,947,640	46,187,828	123,514,383	129,830,894
Total assets	<u>106,414,057</u>	<u>137,804,171</u>	<u>68,125,984</u>	<u>67,925,655</u>	<u>174,540,041</u>	<u>205,729,826</u>
Long-term obligations	34,811,278	55,842,892	28,321,638	26,810,729	63,132,916	82,653,621
Other liabilities	7,244,634	7,554,277	3,682,915	3,529,531	10,927,549	11,083,808
Total liabilities	<u>42,055,912</u>	<u>63,397,169</u>	<u>32,004,553</u>	<u>30,340,260</u>	<u>74,060,465</u>	<u>93,737,429</u>
Net assets						
Invested in capital assets, net of related debt	41,335,465	49,581,645	20,257,573	20,726,775	61,593,038	70,308,420
Restricted	3,672,634	9,967,095	5,290,157	5,684,152	8,962,791	15,651,247
Unrestricted	19,350,046	14,858,262	10,573,701	11,174,468	29,923,747	26,032,730
Total Net Assets	<u>\$ 64,358,145</u>	<u>\$ 74,407,002</u>	<u>\$ 36,121,431</u>	<u>\$ 37,585,395</u>	<u>\$ 100,479,576</u>	<u>\$ 111,992,397</u>

As seen in Table MDA-3, the City's total assets of \$205.7 million include \$75.9 million in current and other assets and \$129.8 million in capital assets. Included in the \$83.6 million in capital assets related to governmental activities, and in accordance with GASB Statement No. 34, are assets for roads, bridges, and other governmental infrastructure assets acquired since implementing GASB Statement No. 34. However, governmental infrastructure assets acquired during fiscal years prior to the implementation of GASB Statement No. 34 in fiscal year 2003 are not included at this time. The City will include infrastructure assets acquired during prior years in future financial statements in compliance with GASB Statement No. 34 requirements.

Assets increased during the fiscal year by \$31.2 million, of which \$22.5 million relates to cash and short-term investments from the issuance of general obligation bonds discussed earlier and \$6.3 million relates to increases in the City's capital assets. Included in the governmental activities during fiscal year 2005 are several large road projects and traffic signalization improvements along with various dedications that are discussed in greater detail in the capital assets section of this report.

The City's total liabilities of \$93.7 million include \$82.7 million that is not due or payable in the next fiscal year and \$11 in other liabilities. The combined governmental and business-type \$19.5 million dollar increase in long-term obligations is primarily related to the new general obligation bond issue discussed earlier offset by the principal payments made during the year.

Total net assets of approximately \$112 million is comprised of \$70.38 million invested in capital assets, net of related debt; \$15.7 million restricted for capital projects, debt service and other purposes; \$14.9 million unrestricted and available for governmental purposes and \$11.1 million unrestricted and available for the City's business-type.

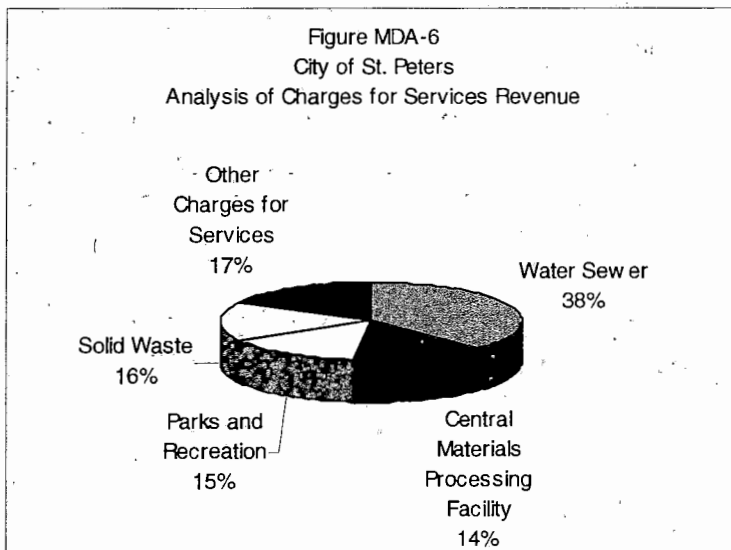
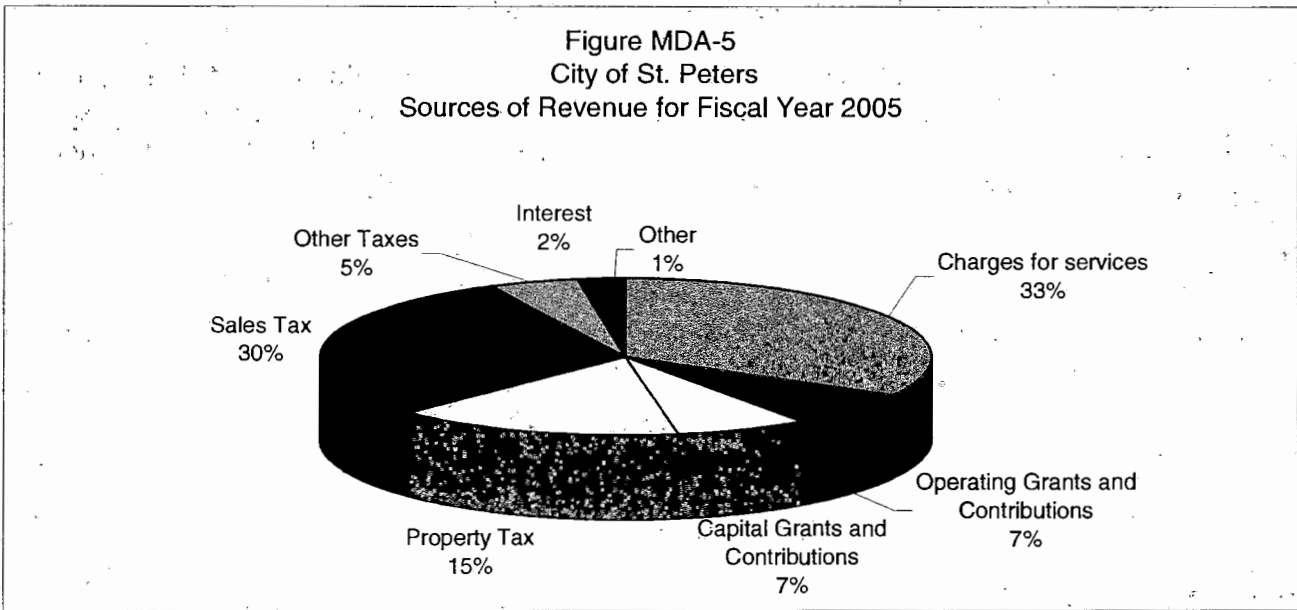
### Changes in Net Assets

The City's combined net assets increased by approximately \$11.5 million during fiscal year 2005 as a result of the activity shown in Table MDA-4.

Table MDA-4  
City of St. Peters's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2005	2004	2005	2004	2005
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 7,320,714	\$ 7,108,476	\$ 14,152,269	\$ 15,261,351	\$ 21,472,983	\$ 22,369,827
Operating Grants and Contributions	3,539,346	3,534,260	868,789	1,293,479	4,408,135	4,827,739
Capital Grants and Contributions	6,235,077	4,094,689	630,212	530,759	6,865,289	4,625,448
General Revenue						
Property Tax	9,422,193	10,264,569	-	-	9,422,193	10,264,569
Sales Tax	19,699,282	20,569,076	-	-	19,699,282	20,569,076
Other Taxes	2,823,306	3,073,690	-	-	2,823,306	3,073,690
Interest	174,626	794,416	207,395	406,121	382,021	1,200,537
Gain on Sale of Capital Assets	237,001	-	-	-	237,001	-
Other	492,718	516,637	-	-	492,718	516,637
<b>Total revenues</b>	<b>49,944,263</b>	<b>49,955,813</b>	<b>15,858,665</b>	<b>17,491,710</b>	<b>65,802,928</b>	<b>67,447,523</b>
<b>Expenses</b>						
General government	2,480,263	3,153,690	-	-	2,480,263	3,153,690
Administration	5,190,845	5,142,485	-	-	5,190,845	5,142,485
Police	8,520,256	9,106,695	-	-	8,520,256	9,106,695
Municipal court	324,357	355,325	-	-	324,357	355,325
Public Works	4,771,304	6,719,849	-	-	4,771,304	6,719,849
Engineering	2,139,381	2,070,918	-	-	2,139,381	2,070,918
Maintenance	799,725	729,378	-	-	799,725	729,378
Health	591,484	577,925	-	-	591,484	577,925
Parks and recreation	8,789,938	8,845,727	-	-	8,789,938	8,845,727
Community relations	855,073	826,583	-	-	855,073	826,583
Community and arts	310,754	290,478	-	-	310,754	290,478
Interest on long-term debt	1,983,033	2,148,903	-	-	1,983,033	2,148,903
Waterworks/Sanitary Sewer	-	-	7,944,078	8,136,178	7,944,078	8,136,178
Solid Waste	-	-	3,176,106	3,367,321	3,176,106	3,367,321
Public Improvement Corporation	-	-	1,149,042	1,156,686	1,149,042	1,156,686
Central Materials Processing Facility	-	-	3,142,558	3,306,561	3,142,558	3,306,561
<b>Total expenses</b>	<b>36,756,413</b>	<b>39,967,956</b>	<b>15,411,784</b>	<b>15,966,746</b>	<b>52,168,197</b>	<b>55,934,702</b>
Increase (decrease) in net assets before transfers	13,187,850	9,987,857	446,881	1,524,964	13,634,731	11,512,821
Transfers	120,400	61,000	(120,400)	(61,000)	-	-
Increase (decrease) in net assets	13,308,250	10,048,857	326,481	1,463,964	13,634,731	11,512,821
Beginning Net Assets	51,049,895	64,358,145	35,794,950	36,121,431	86,844,845	100,479,576
Ending Net Assets	\$ 64,358,145	\$ 74,407,002	\$ 36,121,431	\$ 37,585,395	\$ 100,479,576	\$ 111,992,397

For the fiscal year ended September 30, 2005, government-wide revenues totaled \$67.4 million. Approximately one-third of all revenues are derived from charges from services and one-third from sales tax.

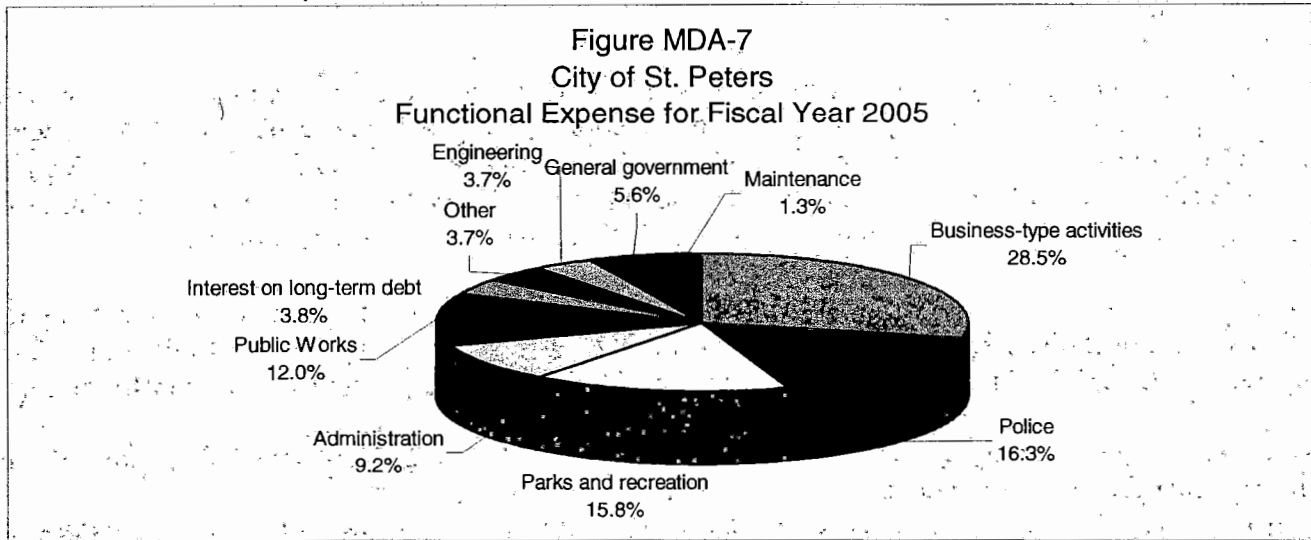


Charges for services are derived from users of the City's programs such as athletic programs at the REC-PLEX, the City's recreational complex, and fees for the users of the City's waterworks and sewerage system and other business-type activities. As seen in Figure MDA-6, the City's water and sewer operations account for over one-third of all charges for services, followed by other charges for services, Solid Waste, Parks and Recreation, and the Central Materials Processing Facility (CMPF).

The second largest revenue source for the entire city is sales tax, which during the 2005 fiscal year equaled \$20.6 million.

The City of St. Peters has a 1% sales tax to fund general governmental activities, a .5% sales tax that funds the City's transportation activity (road construction and maintenance) and a .1% sales tax for park and storm water activities. In addition, the City has three Tax Increment Financing Districts and sales tax received for these districts is restricted to funding activities within the respective area. Sales tax increased by 4.4% due to an increase in consumer spending and additional retail centers in the City.

The total cost of all programs and services increased by 7.2% citywide to a total of \$55.9 million during fiscal year 2005. The City's expenses cover a range of services including parks and recreation, policing, administration and public works. Approximately 28.5% of all city expenses during the 2005 fiscal year is related to business-type activities.



Governmental Activities

Revenues for the City's governmental activities total \$50 million, of which approximately 41% is sales tax, 21% is property tax and 14% is charges from services. Expenditures for the City's governmental activities total \$40 million, which results in an increase in net assets for the fiscal year of \$10 million.

Figure MDA-8 presents the cost of each of the City's largest programs as well as the program's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

As stated earlier, the cost of all governmental activities this year was \$39.9 million; however, the amount that our taxpayers paid for these services through City taxes was \$25.2 million. The remaining cost was related to programs that charge those who directly benefit (\$7.1 million) and from grants and contributions (\$7.7 million). The City paid for the \$25.2 million "public benefit" portion with taxes, interest income and other general revenues.

**Figure MDA-8**  
Net-Cost of City of St. Peters'  
Governmental Activities

	Total Cost of Services	Net Cost of Services
Administration	\$ 5,142,485	\$ 5,142,485
Engineering	2,070,918	2,070,918
General government	3,153,690	1,458,942
Interest on long-term debt	2,148,903	2,148,903
Other	2,779,689	2,528,082
Parks and recreation	8,845,727	5,173,792
Police	9,106,695	5,987,905
Public Works	6,719,849	719,504
	<b>\$ 39,967,956</b>	<b>\$ 25,230,531</b>

Charges for services related to governmental activities decreased during the year by approximately \$212,000. This change is primarily due to a \$145,000 increase in license and permit revenue from the first year of a new voter approved license fee for hotels and boardinghouses and a \$129,000 increase in revenue generated by the City's recreational facility the REC-PLEX; offset by a \$98,000 decline in court fines and costs and \$373,000 derived from the 2004 U.S. Olympic Diving Trials event the City of St. Peters hosted in fiscal year 2004.

As previously mentioned, sales tax increased 4.4% due to an increase in consumer spending and additional retail centers in the City. The assessed valuation of property located outside of the Special Districts in the City of St. Peters increased by \$12.6 million during fiscal year 2005. Fiscal year 2005's increase in assessed valuation along with the increase in tax rates imposed by other taxing bodies related to the City's Special Districts generated an additional 8.9% property tax revenue citywide.

Governmental capital grants and contributions decreased by 32.6% relating primarily to donations of capital assets (that is discussed in detail in the capital asset section of this report) of \$1.4 million in 2005 compared to \$2.7 million in 2004 and a decrease in grant funded road construction and reconstruction.

General governmental expense increased by \$3.2 million or 9% during fiscal year 2005, some of the significant changes by governmental function include:

- An increase in general government of \$673,000 resulting from an increase in legal fees of \$358,000 due to an increase in defense from legal action, approximately \$46,000 from increased insurance claims, increased expense related to medical and dental insurance coverage for retirees of \$94,000, and an increase in surplus distributions from the Special Allocation Funds of \$108,000.
- An increase in police of \$586,000 primarily from salary and fringe benefits including workman compensation claims of \$436,000 and increased property insurance claims of \$69,000.
- An increase in public works expense of approximately \$1.9 million due to the increased level of depreciation on infrastructure assets and other non-capital activity during fiscal year 2005.

#### Business-Type Activities

Revenues of the City's business-type activities increased \$1.6 million to \$17.5 million and expenditures increased approximately \$555,000 to \$16 million, resulting in an increase in net assets for the fiscal year of 1.5 million. (Refer to Table MDA-4.) Factors contributed to these results included:

- Charges for services increased by 7.8%, which relates to increases in water and sewer user fees and solid waste collection fees of \$889,000 and \$489,000 respectively from rate increases of 2.5% for water and sewer charges combined with growth in our customer base and an extremely dry summer and fall increasing water demand, and a \$1 per month increase for residential collection in solid waste combined with growth in our customer base. Although the CMPF had a slight increase in recycling revenue they also had a decrease in the amount of revenue from private haulers resulting in an overall decrease of \$268,000 for charges for services.
- Capital grants and contributions decreased by 15.8% or \$99,500, which relates primarily to an increase of \$59,000 for contributed water and sewer lines offset by prior year state grants for improvements to the CMPF operations increases totaling approximately \$159,000.

- The water and sewer function's expense increased by \$192,000 due primarily to an increase in the purchase of water. The City had an extremely dry summer and fall and water supply was in high demand. In addition to producing our own water, the City can also purchase water when needed to meet demand. Water purchases were up \$211,000 during fiscal year 2005.
- Expense from the solid waste function increased by 6%, including an increase of \$86,000 for salaries and fringe from raises, an increase of \$65,000 for workman compensation claims, and an increase in repair and maintenance of \$122,000 for vehicles.
- Expense for the CMPF decreased during fiscal year 2005 by \$164,000 related to the long-term contract the City entered into, at below-market cost, for hauling and disposal of solid waste and a decrease in the amount of material taken to the landfill resulting in a decrease in landfill fees of \$227,000. This decrease was offset by increases in depreciation due to the addition of new solid waste vehicles (\$52,000), expense for repair and maintenance of equipment (\$105,000), increases in salary and fringe from raises (\$55,000), increases in workman compensation claims (\$61,000), increase in professional services (\$54,000) and increased supplies expense (\$58,000).
- Expense for the Public Improvement Corporation only increased by \$8,000, which is primarily depreciation.

## FUND FINANCIAL STATEMENTS

Another major section of the basic financial statements is the fund financial statements. These statements provide more detailed information about the City's most significant *funds*—not the City as a whole. A fund is a grouping of related accounts used to track specific sources of funding and spending for particular purposes.

The City of St. Peters has two kinds of funds:

- Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements are prepared on a modified accrual basis, which means they measure only current financial resources, uses and balances of spendable resources available at the end of the fiscal year. Therefore, capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund statements. Because the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs, it is useful to compare the information presented for the 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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. The City of St. Peters has only one type of proprietary fund, the enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements: the City's waterworks and sewerage system, solid waste activities, and transfer station and recycling facility (CMPF). Proprietary fund statements are prepared on a full-accrual method and include all their assets and liabilities, current and long-term. This is the same basis used in the government-wide statements.

### **Financial Analysis Of The City's Funds**

As discussed earlier, there are two types of statements included in the basic financial statements. This discussion relates to the fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. These statements are prepared on a modified accrual basis for the governmental funds and, as in the government-wide statements, on a full accrual method for the business-type activities or proprietary funds. A reconciliation from the fund statements to the government-wide statements is provided to display the differences in the two reporting methods.

The City of St. Peters has twelve individual governmental funds. Information is presented separately in the governmental fund statements for the general fund, the transportation trust fund and the debt service fund, all of which are considered major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplementary information section of this report. The City of St. Peters adopts an annual budget for each of the major funds and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

The City's governmental funds reported a combined fund balance of \$49.4 million, an increase of \$25.1 million from the prior fiscal year. Unreserved fund balance constitutes \$40.9 million and the remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for the following:

- liquidation of contracts and purchase orders of the prior period (\$5,330,780),
- capital improvements (\$472,945),
- storm water management (\$223,173),
- inventory and prepaids (\$900,218),
- long-term loans (\$727,514),
- and other purposes (\$780,609)

The primary reasons for changes in fund balance include those highlighted in the financial highlights section of this document. In addition, these other changes in fund balance should be noted:

The General Fund serves as the chief operating fund of the City of St. Peters. It is used to account for all financial resources except those that are required to be accounted for in another fund. The activities of the general fund include policing services, administration and governmental, parks and recreation, and engineering. During fiscal year 2005, the General Fund's fund balance decreased by \$1.9 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 15.9% of the total general fund expenditures, while total fund balance represents 24.7% of that same amount.

Key factors for the decrease in fund balance include events discussed previously and the following:

- A transfer of \$2,406,132 to the Post-Retirement Benefit Fund.
- Continued efforts to limit operating costs to the amount received in operating resources, not utilizing one-time windfalls such as the sale of land to cover everyday expenditures.
- Continued growth in both the residential and commercial areas. During the fiscal year, 302 residential and 13 commercial building permits were issued with estimated construction values of \$29,516,271 and \$15,856,038, respectively. The resulting increase in property tax revenue allowed us to continue providing the high quality of service that our residents enjoy.
- Continued efforts to get all budgeted funds to stand on their own. In fiscal year 2004/05 the Recreation Fund, Local Parks and Storm Water Fund, Transportation Trust Fund, Central Materials Processing Facility Fund, Solid Waste Fund and Water Sewer Fund did not require any subsidy from the General Fund.

The other two major funds of the City are the Transportation Trust Fund and the Debt Service Fund. The fund balance in the Transportation Trust Fund increased by approximately \$759,000 to \$7.3 million. Of this amount, \$2.6 million is unreserved, \$4.8 million is reserved for the liquidation of contracts and purchase orders of the prior period, and \$2,700 is reserved for inventory and prepaid expenses. The decline in fund balance is attributed to expenditures for maintenance of our existing infrastructure and new infrastructure construction of \$7.7 million offset by resources of \$8.4 million. Revenues and expenditures are forecasted for road projects on a long-term basis in the City's Capital Improvement Plan to ensure adequate funding and fund balance are available. Fund balance in the Debt Service Fund increased by \$813,000 to a total of \$2.8 million, all of which is available for debt service in future years.

The other nine non-major governmental funds had a \$4.5 million increase in fund balance to a total of \$10 million. Of this, \$8.7 million is unreserved and \$1.3 million is reserved for various things such as the liquidation of contracts and purchase orders of the prior period, capital improvements, inventory and prepaids, and long-term receivables. The increase can be attributed to the transfer of \$2.4 million to the Post-Retirement Benefits Fund, and increased fund balance of \$2 million in our Special Allocation Funds.



## **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the fiscal year, the City of St. Peters' elected officials revised the budget several times. These revisions generally are amendments and supplemental appropriations approved during the long-term Capital Improvement Plan process, adjustments to reflect the actual beginning account balances from the prior year's actual results, to incorporate adjustments for carried-over items from the previous budget year, to reflect any changes in estimates used when the original budget was adopted, or to reflect changes for unanticipated events that may arise throughout the fiscal year. The significant variations between the original and final budget include:

- Due to mid-year projections, sales tax was increased by \$200,000, cigarette tax was increased by \$35,000, and licenses and permits were increased by \$43,000.
- Due to an increase in assessed valuation, the original estimation for property tax was increased by \$85,000.
- In addition, during the year general fund expenditures were decreased by approximately \$190,000 to reflect savings primarily due to the cost of personnel. These savings were offset by increases in the parks department for capital projects in the of \$50,000 and insurance claims from a fire in a park of \$50,000; funding an additional \$130,000 in storm water projects; and funding an additional \$120,000 for legal fees.

Significant variations between final budget and actual amounts include additional revenue of \$582,500 due to a combination of sales tax not meeting anticipated budget of \$149,000 offset by \$205,700 better than expected revenues in utility franchise tax due to cold weather and increased costs of natural gas; \$124,320 for license and permit revenue; \$132,000 for interest revenue; \$129,000 for fines and forfeitures; and \$128,000 for miscellaneous revenue. In addition, expenses were better than budgeted by \$1.8 million. The majority of this savings relates to salaries and fringe benefits (\$1 million) due in part to vacant positions, and a continued Citywide emphasis on controlling costs. In addition, the City experienced savings of \$148,000 in employee travel and training; \$95,000 in overall professional services; \$260,00 in repair and maintenance primarily related to the computer system and trail system; and \$330,000 in capital expenditures for items for our computer equipment and parks department.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of fiscal year 2005, the City had invested \$129.8 million (net of accumulated depreciation) in a broad range of capital assets including land, structures and improvements, machinery and equipment, water and sewer lines, vehicles, and infrastructure. The total increase in the City of St. Peters' investment in capital assets for the current fiscal year was approximately 5.1%. As discussed previously, in accordance with GASB Statement No. 34, assets for roads, bridges, and other governmental infrastructure assets acquired during the current fiscal year are included in these amounts. However, governmental infrastructure assets acquired fiscal years prior to fiscal year 2003 are not included at this time. The City will include infrastructure assets acquired during prior years in future financial statements in compliance with GASB Statement No. 34 requirements. Major capital asset events during the current fiscal year included the following:

This year's major capital assets for governmental activities include:

- Several large road projects and traffic signalization improvements were completed during the fiscal year, including improvements to sections of Mexico Road, and Ohmes Road, the extension of Executive Centre Parkway, and signalization improvements on Willott Road totaling \$8.1 million.
- Major repairs to our existing infrastructure accounts for \$1.9 million of current year additions, and the City accepted over \$1.3 million in dedicated streets, sidewalks, storm sewers and right-of-way from developers and subdivisions that were previously considered private streets and not maintained by the City.
- The \$585,000 increase in land relates to the improvements and dedications related to infrastructure discussed above for street and storm water projects, and \$99,500 for land acquired for the 370 Lakeside Redevelopment Area.
- Structures and improvements increased \$916,000 due to improvements made to our playgrounds and parks.

This year's major capital assets for business-type activities include:

- Various building and system additions and improvements in the Waterworks Sanitary Sewer Fund, adding \$1.3 million in additional capital assets, the majority of which relates to water and sewer line additions.
- Solid waste collections increased machinery and equipment of \$269,600 includes additional collection containers for solid waste and yard waste collection and a collection vehicle.
- The Public Improvement Corporation added \$153,500 of additional storm water improvements.
- The CMPF increased capital assets by \$21,300 for land improvements.

More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

### Long-Term Debt

At September 30, 2005, the City had a number of debt issues outstanding. These issues included \$49,160,000 of general obligation (G.O.) bonds, \$8,936,000 of Tax Increment Financing (TIF) notes, \$17,311,997 of water/sewer revenue bonds, and \$12,390,000 of PIC leasehold revenue bonds. The City continues to maintain its A1 rating from Moody's Investor Service on general obligation issues.

Figure MDA-9  
City of St. Peter's Outstanding Debt  
September 30, 2005

	Governmental Activities		Business-type Activities		Total	
	2004	2005	2004	2005	2004	2005
General obligation (G.O.) bonds	\$ 28,080,000	\$49,160,000	\$ -	\$ -	\$28,080,000	\$49,160,000
Tax Increment Financing (TIF) Notes	8,936,000	8,936,000	-	-	8,936,000	8,936,000
Water/Sewer revenue bonds (net of unaccrued capital appreciation)	-	-	18,082,109	17,311,997	18,082,109	17,311,997
PIC leasehold revenue bonds	-	-	13,150,000	12,390,000	13,150,000	12,390,000
<b>TOTAL</b>	<b>\$ 37,016,000</b>	<b>\$58,096,000</b>	<b>\$ 31,232,109</b>	<b>\$ 29,701,997</b>	<b>\$68,248,109</b>	<b>\$87,797,997</b>

Under the statutes of the State of Missouri, the City's general obligation bonded debt is limited to no more than 10% of the most recent assessed valuation of the City. At September 30, 2005, the City was well within this limit with a legal debt margin of \$39,502,093. This does not include an additional debt limit of 10% of assessed valuation available for street, waterworks, or electric plant improvements. This additional debt margin amounted to \$85,814,353 at September 30, 2005. Additional information about the City's long-term debt is presented in Note 6 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

As with most municipalities, the City's primary revenues are derived from taxes. Even though we are seeing our sales tax stabilize, we are not experiencing the growth in this revenue source that we had in past years. We anticipate an additional 4% increase in sales tax during fiscal year 2005/06. Furthermore, since this is a reassessment year, the City's preliminary assessed valuation increased approximately 13% to \$969,454,773; and as such, the City reduced the property tax rate of 85 cents per \$100 of assessed valuation to 80 cents per \$100 of assessed valuation.

We adjusted our user fees, developer fees, and out-of-city rates, which will allow the General Fund to recoup some of the administration overhead we incur on behalf of other funds. We have increased fees in our Water and Sewer Fund (5.0% increase on water and sewer fees) and in our Solid Waste Fund (a \$1 per month per year increase to our residential customers). Even with these increases, we are still the low-cost provider of excellent services for our residents. In addition, we are proposing to increase certain fees in the Recreation Fund.

We are continuing to look for new revenue sources and aggressively pursuing new economic development. We have seen continued growth in both the residential and commercial areas. These increases in revenue will assist us in continuing to provide the high quality of service that our residents enjoy. We are planning to continue development on our St. Peters Lakeside 370 District during fiscal year 2006.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City of St. Peters Finance Department, P.O. Box 9, St. Peters, MO 63376.

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## **Basic Financial Statements**

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# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF NET ASSETS September 30, 2005

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Natatorium Foundation
<b>Assets</b>				
Cash and short-term investments	\$ 46,885,215	\$ 16,161,551	\$ 63,046,766	\$ —
Investments	—	1,056,500	1,056,500	2,185,592
Receivables (net):				
Taxes	2,516,056	—	2,516,056	—
Services	—	1,969,987	1,969,987	—
Intergovernmental	2,387,956	—	2,387,956	—
Interest	7,118	8,342	15,460	9,903
Other	548,178	317,978	866,156	—
Internal balances	188,850	(188,850)	—	—
Inventories	900,218	115,998	1,016,216	—
Investment in joint venture	—	2,296,321	2,296,321	—
Long-term receivables	727,514	—	727,514	—
Capital assets:				
Nondepreciable	25,409,520	5,440,355	30,849,875	—
Depreciable	58,233,546	40,747,473	98,981,019	—
<b>Total Assets</b>	<b>137,804,171</b>	<b>67,925,655</b>	<b>205,729,826</b>	<b>2,195,495</b>
<b>Liabilities</b>				
Accounts payable	1,777,403	599,837	2,377,240	—
Accrued interest	484,727	196,771	681,498	—
Accrued payroll	859,201	91,368	950,569	—
Unearned revenue	386,453	—	386,453	—
Deposits	591,803	109,100	700,903	—
Claims payable	1,037,820	—	1,037,820	—
Other liabilities	362	36,879	37,241	—
Long-term liabilities:				
Due within one year	2,416,508	2,495,576	4,912,084	—
Due in more than one year	55,842,892	26,810,729	82,653,621	—
<b>Total Liabilities</b>	<b>63,397,169</b>	<b>30,340,260</b>	<b>93,737,429</b>	<b>—</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	48,650,137	20,726,775	69,376,912	—
Restricted for:				
Capital projects	7,119,355	—	7,119,355	—
Debt service	2,847,740	5,684,152	8,531,892	—
Other purposes	—	—	—	2,195,495
Unrestricted	15,789,770	11,174,468	26,964,238	—
<b>Total Net Assets</b>	<b>\$ 74,407,002</b>	<b>\$ 37,585,395</b>	<b>\$ 111,992,397</b>	<b>\$ 2,195,495</b>

# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF ACTIVITIES For The Year Ended September 30, 2005

Functions	Program Revenues				Net (Expense) Revenue And Changes In Net Assets			Component Unit Natatorium Foundation
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
<b>Governmental Activities</b>								
General government	\$ 3,153,690	\$ 1,434,577	\$ 258,073	\$ 2,098	\$ (1,458,942)	\$ —	\$ (1,458,942)	\$ —
Administration	5,142,485	—	—	—	(5,142,485)	—	(5,142,485)	—
Police	9,106,695	1,595,803	1,516,201	6,786	(5,987,905)	—	(5,987,905)	—
Municipal court	365,325	—	—	—	(355,325)	—	(355,325)	—
Public works	6,719,849	516,937	1,561,095	3,922,313	(719,504)	—	(719,504)	—
Engineering	2,070,918	—	—	—	(2,070,918)	—	(2,070,918)	—
Maintenance	729,378	—	—	—	(729,378)	—	(729,378)	—
Health	577,925	11,652	—	—	(566,273)	—	(566,273)	—
Parks and recreation	8,845,727	3,331,353	192,090	148,492	(6,173,792)	—	(5,173,792)	—
Community relations	826,583	94,279	—	15,000	(717,304)	—	(717,304)	—
Community and arts	290,478	123,875	6,801	—	(159,802)	—	(159,802)	—
Interest on long-term debt	2,148,903	—	—	—	(2,148,903)	—	(2,148,903)	—
	39,967,956	7,108,476	3,534,260	4,094,689	(25,230,531)	—	(25,230,531)	—
<b>Business-Type Activities</b>								
Waterworks/Sanitary Sewer	8,136,178	8,384,200	—	530,759	—	778,781	778,781	—
Solid waste	3,367,321	3,636,949	—	—	—	269,628	269,628	—
Public Improvement Corporation	1,156,686	—	1,293,479	—	—	136,793	136,793	—
Central Materials Processing Facility	3,306,561	3,240,202	—	—	—	(66,359)	(66,359)	—
	15,966,746	15,261,351	1,293,479	530,759	—	1,118,843	1,118,843	—
<b>Total Government</b>	\$ 55,934,702	\$ 22,369,827	\$ 4,827,739	\$ 4,625,448	\$ (25,230,531)	\$ 1,118,843	\$ (24,111,688)	\$ —
<b>Component Unit</b>								
Natatorium Foundation	\$ 166,614	\$ —	\$ —	\$ —				\$ (166,614)
<b>General Revenues:</b>								
Property taxes levied for:								
General purposes					\$ 5,444,307	\$ —	\$ 5,444,307	\$ —
Debt service					2,277,665	—	2,277,665	—
Tax increment financing districts					2,542,597	—	2,542,597	—
Sales tax levied for:								
General purposes					11,350,867	—	11,350,867	—
Transportation purposes					5,675,421	—	5,675,421	—
Park and stormwater purposes					1,120,688	—	1,120,688	—
Tax increment financing districts					2,422,100	—	2,422,100	—
Franchise and public service taxes					3,073,690	—	3,073,690	—
Earnings on investments					794,416	406,121	1,200,537	188,838
Other revenues					516,637	—	516,637	3,397
Gain on sale of security					—	—	—	—
Gain on disposition of capital assets					—	—	—	—
Transfers					61,000	(61,000)	—	—
<b>Total General Revenues</b>					35,279,388	345,121	35,624,509	192,235
Change in net assets					10,048,857	1,463,964	11,512,821	25,621
Net Assets - Beginning Of Year					63,731,383	36,121,431	99,852,814	2,169,874
Prior period adjustment					626,762	—	626,762	—
Net Assets - Beginning Of Year, As Restated					64,358,145	36,121,431	100,479,576	2,169,874
Net Assets - End Of Year					\$ 74,407,002	\$ 37,585,395	\$ 111,992,397	\$ 2,195,495

See the accompanying notes to basic financial statements.

# CITY OF ST. PETERS, MISSOURI

## BALANCE SHEET - GOVERNMENTAL FUNDS September 30, 2005

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Transportation Trust	Debt Service	Capital Projects	Other Governmental Funds	
<b>Assets</b>						
Cash and cash equivalents:						
Unrestricted	\$ 6,155,601	\$ 5,126,757	\$ 2,848,794	\$ 23,421,849	\$ 9,332,214	\$ 46,885,215
Receivables, net of allowances where applicable:						
Taxes	1,858,536	538,276	50,283	—	107,564	2,554,659
Intergovernmental	6,685	2,352,231	—	—	29,040	2,387,956
Interest	—	348	—	—	6,770	7,118
Other	219,431	25,595	—	—	303,152	548,178
Due from other funds	315,059	—	—	—	—	315,059
Long-term receivables	—	—	—	—	727,514	727,514
Inventory/prepays	873,131	2,663	—	—	24,424	900,218
<b>Total Assets</b>	<b>\$ 9,428,443</b>	<b>\$ 8,045,870</b>	<b>\$ 2,899,077</b>	<b>\$ 23,421,849</b>	<b>\$ 10,530,678</b>	<b>\$ 54,325,917</b>
<b>Liabilities And Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 425,238	\$ 456,750	\$ 1,056	\$ 823,679	\$ 70,680	\$ 1,777,403
Accrued liabilities	809,230	17,230	—	—	32,741	859,201
Deposits held for others/ guarantee bonds	446,619	21,082	—	—	124,102	591,803
Due to other funds	—	32,457	—	—	93,752	126,209
Deferred revenue	118,355	203,640	50,281	—	162,011	534,287
Claims payable	1,037,820	—	—	—	—	1,037,820
Other liabilities	—	—	—	—	362	362
<b>Total Liabilities</b>	<b>2,837,262</b>	<b>731,159</b>	<b>51,337</b>	<b>823,679</b>	<b>483,648</b>	<b>4,927,085</b>
<b>Fund Balances</b>						
Reserved for:						
Encumbrances	465,563	4,750,340	—	—	114,877	5,330,780
Capital improvements	—	—	—	—	472,945	472,945
Stormwater management	223,173	—	—	—	—	223,173
Inventory/prepays	873,131	2,663	—	—	24,424	900,218
Long-term receivables	—	—	—	—	727,514	727,514
Other projects	780,609	—	—	—	—	780,609
Unreserved, reported in:						
General fund	4,248,705	—	—	—	—	4,248,705
Special revenue funds	—	2,561,708	—	—	8,707,270	11,268,978
Debt service funds	—	—	2,847,740	—	—	2,847,740
Capital projects funds	—	—	—	22,598,170	—	22,598,170
<b>Total Fund Balances</b>	<b>6,591,181</b>	<b>7,314,711</b>	<b>2,847,740</b>	<b>22,598,170</b>	<b>10,047,030</b>	<b>49,398,832</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 9,428,443</b>	<b>\$ 8,045,870</b>	<b>\$ 2,899,077</b>	<b>\$ 23,421,849</b>	<b>\$ 10,530,678</b>	<b>\$ 54,325,917</b>

# CITY OF ST. PETERS, MISSOURI

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS September 30, 2005

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

**Total fund balance - governmental funds** \$ 49,398,832

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$120,398,102 and the accumulated depreciation is \$36,755,036. 83,643,066

Property taxes assessed by the City, but not collected within 60 days of year end, are deferred within the fund financial statements. However, revenue for this amount is recognized in the government-wide statements. 109,231

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net assets. Discounts, premiums and bond issuance costs are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.

Balances as of September 30, 2005 are:

Accrued compensated absences, vacation	(931,508)
Accrued interest on outstanding debt as of year end 2005	(484,727)
Bonds and notes payable	(58,096,000)
Unamortized bond issue costs and deferred amount on refunding	1,036,845
Unamortized bond premium	(268,737)

**Total net assets - governmental activities** \$ 74,407,002



# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended September 30, 2005

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Transportation Trust	Debt Service	Capital Projects	Other Governmental Funds	Other Governmental Funds	
<b>Revenues</b>							
Sales tax	\$ 11,350,867	\$ 5,675,422	\$ —	\$ —	\$ 3,542,802		\$ 20,569,091
Property tax	5,469,570	—	2,280,814	—	2,542,599		10,292,983
Utility franchise tax	3,070,706	—	—	—	2,987		3,073,693
Cigarette tax	189,403	—	—	—	—		189,403
Licenses and permits	1,312,320	—	—	—	—		1,312,320
Interest	232,437	163,578	95,531	45,675	257,200		794,421
Intergovernmental	3,291,876	2,332,118	—	—	256,369		5,880,363
Fines and forfeitures	1,504,269	—	—	—	—		1,504,269
Charges for services	314,741	—	—	—	3,795,008		4,109,749
Miscellaneous	339,737	261,757	30,621	8,200	220,338		560,653
<b>Total Revenues</b>	<b>27,075,926</b>	<b>8,432,875</b>	<b>2,406,966</b>	<b>53,875</b>	<b>10,617,303</b>		<b>48,586,945</b>
<b>Expenditures</b>							
Current:							
General government	1,501,608	—	—	—	1,406,589		2,908,197
Administration	5,025,680	—	—	—	—		5,025,680
Police	8,981,592	—	—	—	7,577		8,989,169
Municipal court	353,214	—	—	—	—		353,214
Public works	2,544,844	3,621,222	—	—	608,888		6,774,954
Engineering	2,058,782	—	—	—	—		2,058,782
Maintenance	709,484	—	—	—	—		709,484
Health	561,370	—	—	—	—		561,370
Parks and recreation	3,893,675	—	—	—	4,500,530		8,394,205
Community relations	802,542	—	—	—	—		802,542
Community and arts	212,512	—	—	—	—		212,512
Capital outlay	—	4,052,359	—	1,593,506	2,098		5,647,963
Debt service:							
Principal retirement	—	—	846,875	—	573,125		1,420,000
Interest and fiscal charges	—	—	695,167	—	1,435,348		2,130,515
Other	—	—	52,017	—	—		52,017
<b>Total Expenditures</b>	<b>26,645,303</b>	<b>7,673,561</b>	<b>1,594,059</b>	<b>1,593,506</b>	<b>8,534,155</b>		<b>40,040,504</b>
<b>Revenues Over (Under)</b>							
<b>Expenditures</b>	430,623	759,294	812,907	(1,539,631)	2,083,148		2,546,341
<b>Other Financing Sources (Uses)</b>							
Transfers in	—	—	—	—	2,467,132		2,467,132
Transfers out	(2,406,132)	—	—	—	—		(2,406,132)
Issuance of debt	—	—	—	22,500,000	—		22,500,000
<b>Total Other Financing Sources (Uses)</b>	<b>(2,406,132)</b>	<b>—</b>	<b>—</b>	<b>22,500,000</b>	<b>2,467,132</b>		<b>22,561,000</b>
<b>Net Changes In Fund Balances</b>	<b>(1,975,509)</b>	<b>759,294</b>	<b>812,907</b>	<b>20,960,369</b>	<b>4,550,280</b>		<b>25,107,341</b>
<b>Fund Balances</b>							
Beginning of year	8,566,690	6,555,417	2,034,833	1,637,801	5,496,750		24,291,491
End of year	\$ 6,591,181	\$ 7,314,711	\$ 2,847,740	\$ 22,598,170	\$ 10,047,030		\$ 49,398,832

**CITY OF ST. PETERS, 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 September 30, 2005**

**Net change in fund balances - total governmental funds** \$ 25,107,341

Amounts reported for governmental activities in the statement of activities are different because:  
Governmental funds report capital outlays as expenditures. However, in the statements of activities, assets with an initial, individual cost of more than \$250 for general and \$5,000 for infrastructure are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. Donated assets are not recorded in the governmental funds but are recognized as revenue in the statement of activities. This is the amount by which capital outlays and donated capital assets exceeded depreciation in the current period.

Capital outlays	\$ 8,790,534	
Donated capital assets	1,397,275	
Depreciation expense	<u>(4,051,786)</u>	6,136,023

In the statement of activities, the loss on the disposition of capital assets is reported. The loss is not a use of current resources and thus is not reported in the funds. (59,700)

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.

Bond issue costs	51,803	
Proceeds on issuance of bonds payable	(22,500,000)	
Repayment of bond principal	1,420,000	(21,028,197)

Under the modified accrual basis of accounting used in governmental funds the effect of issuance costs, discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. 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. The net effect of these differences is as follows:

Accrued interest on bonds	50,029	
Compensated absences	(59,816)	
Premium on debt issuances, net of amortization	34,154	
Deferred bond issuance costs and deferred amount on refunding, net of amortization	<u>(102,571)</u>	(78,204)

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year. (28,406)

**Change in net assets of governmental activities** \$ 10,048,857

# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS September 30, 2005

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	
<b>Assets</b>					
<b>Current Assets:</b>					
Cash and cash equivalents:					
Held by trustees	\$ 34,177	\$ —	\$ 3,338,466	\$ —	\$ 3,372,643
Unrestricted	7,152,970	123,322	10,785	874,179	8,161,256
Restricted	3,394,636	—	1,233,016	—	4,627,652
Investments - restricted	1,056,500	—	—	—	1,056,500
Receivables, net of allowances:					
Services	1,338,113	561,275	—	70,599	1,969,987
Accrued interest	8,342	—	—	—	8,342
Other	63,291	103,314	—	151,373	317,978
Inventory/prepays	904	222	—	114,872	115,998
<b>Total Current Assets</b>	<b>13,048,933</b>	<b>788,133</b>	<b>4,582,267</b>	<b>1,211,023</b>	<b>19,630,356</b>
<b>Noncurrent Assets:</b>					
Investment in joint venture	2,296,321	—	—	—	2,296,321
Capital assets	66,994,804	2,962,689	12,602,738	6,304,681	88,864,912
Less: Accumulated depreciation	33,460,186	2,335,992	4,068,836	2,812,070	42,677,084
Capital assets - net	33,534,618	626,697	8,533,902	3,492,611	46,187,828
<b>Total Noncurrent Assets</b>	<b>35,830,939</b>	<b>626,697</b>	<b>8,533,902</b>	<b>3,492,611</b>	<b>48,484,149</b>
<b>Total Assets</b>	<b>48,879,872</b>	<b>1,414,830</b>	<b>13,116,169</b>	<b>4,703,634</b>	<b>68,114,505</b>
<b>Liabilities</b>					
<b>Current Liabilities:</b>					
Accounts payable	476,351	20,039	—	103,447	599,837
Accrued payroll	43,026	25,671	—	22,671	91,368
Accrued compensated absences	114,905	67,697	—	47,974	230,576
Accrued interest payable	32,677	—	164,094	—	196,771
Deposits held for others	109,100	—	—	—	109,100
Due to other funds	32,827	59,589	—	96,434	188,850
Current portion of revenue bonds payable (payable from restricted assets)	1,485,000	—	780,000	—	2,265,000
Other	30,427	—	—	6,452	36,879
<b>Total Current Liabilities</b>	<b>2,324,313</b>	<b>172,996</b>	<b>944,094</b>	<b>276,978</b>	<b>3,718,381</b>
<b>Noncurrent Liabilities:</b>					
Long-term portion of revenue bonds payable	15,442,151	—	11,368,578	—	26,810,729
<b>Total Liabilities</b>	<b>17,766,464</b>	<b>172,996</b>	<b>12,312,672</b>	<b>276,978</b>	<b>30,529,110</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	16,607,467	626,697	—	3,492,611	20,726,775
Restricted for debt service	4,451,136	—	1,233,016	—	5,684,152
Unrestricted	10,054,805	615,137	(429,519)	934,045	11,174,468
<b>Total Net Assets</b>	<b>\$ 31,113,408</b>	<b>\$ 1,241,834</b>	<b>\$ 803,497</b>	<b>\$ 4,426,656</b>	<b>\$ 37,585,395</b>

# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS For The Year Ended September 30, 2005

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility		
<b>Operating Revenues</b>						
Water	\$ 3,565,894	\$ —	\$ —	\$ —	\$ —	\$ 3,565,894
Sewer	3,004,068	—	—	—	—	3,004,068
Solid waste	—	3,512,253	—	—	—	3,512,253
Tap-on fees	554,569	—	—	—	—	554,569
Tipping fees	—	—	—	1,421,590	—	1,421,590
Rental income	—	—	1,293,479	—	—	1,293,479
Recycling income	—	—	—	1,606,780	—	1,606,780
Earth Centre	—	—	—	194,345	—	194,345
Intergovernmental	40,000	—	—	—	—	40,000
Miscellaneous	1,219,669	124,696	—	17,487	—	1,361,852
<b>Total Operating Revenues</b>	<b>8,384,200</b>	<b>3,636,949</b>	<b>1,293,479</b>	<b>3,240,202</b>	<b>—</b>	<b>16,554,830</b>
<b>Operating Expenses</b>						
Personnel costs	2,645,255	1,610,080	—	1,388,948	—	5,644,283
Depreciation	1,930,184	229,892	602,862	253,731	—	3,016,669
Utilities	426,588	13,055	—	60,428	—	500,071
Purchased water	519,341	—	—	—	—	519,341
Wastewater treatment costs	109,690	—	—	—	—	109,690
Landfill fees	—	848,453	—	1,017,348	—	1,865,801
Repairs and maintenance	572,542	344,522	—	166,957	—	1,084,021
Chemicals and supplies	223,421	13,596	—	2,904	—	239,921
Professional services	491,517	19,365	—	61,862	—	572,744
Office expense	88,018	26,023	—	154,449	—	268,490
Insurance	95,477	24,759	—	22,696	—	142,932
Gasoline and fuel	59,497	129,794	—	36,661	—	225,952
Rent	9,647	319	—	3,674	—	13,640
Miscellaneous	88,677	107,463	1,219	136,903	—	334,262
<b>Total Operating Expenses</b>	<b>7,259,854</b>	<b>3,367,321</b>	<b>604,081</b>	<b>3,306,561</b>	<b>—</b>	<b>14,537,817</b>
<b>Operating Income (Loss)</b>	<b>1,124,346</b>	<b>269,628</b>	<b>689,398</b>	<b>(66,359)</b>	<b>—</b>	<b>2,017,013</b>
<b>Nonoperating Revenues (Expenses)</b>						
Interest on investments	279,242	1,460	102,348	23,071	—	406,121
Bond interest and fees	(771,603)	—	(533,295)	—	—	(1,304,898)
Amortization of bond issue costs and discounts	(59,867)	—	(19,310)	—	—	(79,177)
Equity loss in joint venture	(44,854)	—	—	—	—	(44,854)
<b>Nonoperating Revenues (Expenses), Net</b>	<b>(597,082)</b>	<b>1,460</b>	<b>(450,257)</b>	<b>23,071</b>	<b>—</b>	<b>(1,022,808)</b>
<b>Income (Loss) Before Transfers And</b>						
<b>Capital Contributions</b>	527,264	271,088	239,141	(43,288)	—	994,205
Transfers out	(30,000)	(16,500)	—	(14,500)	—	(61,000)
Capital contributions	530,759	—	—	—	—	530,759
<b>Change In Net Assets</b>	<b>1,028,023</b>	<b>254,588</b>	<b>239,141</b>	<b>(57,788)</b>	<b>—</b>	<b>1,463,964</b>
<b>Net Assets - Beginning Of Year</b>	<b>30,085,385</b>	<b>987,246</b>	<b>564,356</b>	<b>4,484,444</b>	<b>—</b>	<b>36,121,431</b>
<b>Net Assets - End Of Year</b>	<b>\$ 31,113,408</b>	<b>\$ 1,241,834</b>	<b>\$ 803,497</b>	<b>\$ 4,426,656</b>	<b>\$ —</b>	<b>\$ 37,585,395</b>

# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For The Year Ended September 30, 2005

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	
<b>Cash Flows From Operating Activities</b>					
Receipts from customers	\$ 6,945,862	\$ 3,458,837	\$ 1,293,479	\$ 3,221,538	\$ 14,919,716
Payments to suppliers	(2,703,753)	(1,559,861)	(1,219)	(1,567,676)	(5,832,509)
Payment to employees	(2,737,648)	(1,638,259)	—	(1,418,939)	(5,794,846)
Other receipts	1,259,669	124,696	—	17,487	1,401,852
<b>Net Cash Provided By Operating Activities</b>	<b>2,764,130</b>	<b>385,413</b>	<b>1,292,260</b>	<b>252,410</b>	<b>4,694,213</b>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers out	(30,000)	(16,500)	—	(14,500)	(61,000)
Advances on (repayments of) internal balances	9,919	22,554	(2,544)	44,580	74,509
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<b>(20,081)</b>	<b>6,054</b>	<b>(2,544)</b>	<b>30,080</b>	<b>13,509</b>
<b>Cash Flows From Capital And Related Financing Activities</b>					
Issuance costs on revenue bonds	734,781	—	19,310	—	754,091
Principal paid on revenue bonds	(1,445,000)	—	(760,000)	—	(2,205,000)
Interest paid on revenue bonds	(858,581)	—	(558,335)	—	(1,416,916)
Acquisition and construction of capital assets, net	(1,351,162)	(269,605)	(1,084,067)	(21,264)	(2,726,098)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(2,919,962)</b>	<b>(269,605)</b>	<b>(2,383,092)</b>	<b>(21,264)</b>	<b>(5,593,923)</b>
<b>Cash Flows From Investing Activities</b>					
Interest on investments	337,639	1,460	102,348	23,071	464,518
<b>Net Cash Provided By Investing Activities</b>	<b>337,639</b>	<b>1,460</b>	<b>102,348</b>	<b>23,071</b>	<b>464,518</b>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>161,726</b>	<b>123,322</b>	<b>(991,028)</b>	<b>284,297</b>	<b>(421,683)</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>10,420,057</b>	<b>—</b>	<b>5,573,295</b>	<b>589,882</b>	<b>16,583,234</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 10,581,783</b>	<b>\$ 123,322</b>	<b>\$ 4,582,267</b>	<b>\$ 874,179</b>	<b>\$ 16,161,551</b>
<b>Reconciliation of Operating Income (Loss) To Net Cash Provided By Operating Activities</b>					
Operating income (loss)	\$ 1,124,346	\$ 269,628	\$ 689,398	\$ (66,359)	\$ 2,017,013
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation expense	1,930,184	229,892	602,862	253,731	3,016,669
Change in assets and liabilities:					
Increase in service receivable	(178,669)	(53,416)	—	(1,177)	(233,262)
(Increase) decrease in miscellaneous receivables	25,289	(46,514)	—	131,093	109,868
Increase in inventory	(793)	—	—	(34,534)	(35,327)
Increase in other assets	—	(205)	—	—	(205)
Increase (decrease) in accounts payable	(37,274)	14,207	—	(4,068)	(27,135)
Decrease in accrued payroll	(91,082)	(38,957)	—	(33,777)	(163,816)
Increase (decrease) in accrued vacation	(1,311)	10,778	—	3,786	13,253
Increase in deposits held for others	950	—	—	—	950
Increase (decrease) in other liabilities	(7,510)	—	—	3,715	(3,795)
<b>Total Adjustments</b>	<b>1,639,784</b>	<b>115,785</b>	<b>602,862</b>	<b>318,769</b>	<b>2,677,200</b>
<b>Net Cash Provided By Operating Activities</b>	<b>\$ 2,764,130</b>	<b>\$ 385,413</b>	<b>\$ 1,292,260</b>	<b>\$ 252,410</b>	<b>\$ 4,694,213</b>

**Noncash Investing, Capital, and Financing Activities:**

During fiscal year 2005, the Waterworks/Sanitary Sewer Fund received \$530,759 in contributed water and sewer lines from developers.

# CITY OF ST. PETERS, MISSOURI

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## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2005

### 1. Summary Of Significant Accounting Policies

The City of St. Peters, Missouri (the City) was incorporated in 1910. The City operates as a fourth-class city under the Missouri state statutes under the Board of Aldermen/City Administrator form of government. The Board of Aldermen is comprised of eight Aldermen and a Mayor. The City provides the following services: public safety (police), public works, public improvements, water and sanitary sewer, residential trash collection, recreation, community development, health, planning and zoning, and general administration.

The accounting policies and financial reporting practices of the City conform to accounting principles generally accepted in the United States of America applicable to governmental entities. The following is a summary of the more significant accounting policies:

#### Reporting Entity

The City defines its reporting entity to include all component units for which the City's governing body is financially accountable. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or the relationship must have the potential for creating specific financial benefits to, or impose specific financial burdens on the City. The City's financial reporting entity consists of the City and its component units.

**Blended Component Units:** The following component unit is legally separate from the City; however, its activities are so intertwined with the City as the primary government that it is, in substance, the same as the primary government. As such, the balances and transactions of this component unit are blended into the basic financial statements and are reported in a manner similar to the balances and transactions of the City itself.

The City of St. Peters Public Improvement Corporation (the PIC) has been reported as a component unit of the City and blended as a separate enterprise fund because of the significance of its operational and financial relationship with the City. The PIC was formed in August 1990 for the purpose of facilitating the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City. The PIC is accounted for as if it were part of the City operations because it was established to provide benefits exclusively for the public facility need of the City. Separate financial statements are not prepared for the PIC.

## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

**Discretely Presented Component Units:** The component unit column in the statement of net assets and statement of activities include the financial data of the City's discretely presented component unit, which is reported in a separate column to emphasize that it is legally separate from the City.

The City of St. Peters Natatorium Foundation is a not-for-profit corporation organized for the purpose of accepting contributions from the community and using the resources to fund improvements to the St. Peters Rec-Plex facility. The Foundation is discretely presented due to the nature and significance of its relationship with the board. There are no separate financial statements issued for the Foundation.

**Joint Ventures:** The City has entered into the following multigovernmental arrangements creating organizations that are owned, operated, or governed by two or more participants as separate and specific activities subject to joint control, in which the City retains an ongoing financial interest or an ongoing financial responsibility.

The St. Peters-St. Charles Water Pipeline Project was formed under the laws of the state of Missouri on October 2, 1985. The purpose of the Water Pipeline Project is to construct and operate a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of St. Louis, Missouri, to the separate facilities of the municipalities of St. Peters, Missouri, and St. Charles, Missouri, in order to adequately supply water by the pipeline to the citizens and businesses of the municipalities. The Water Pipeline Project is owned by the City of St. Peters (31.8%) and the City of St. Charles (68.2%). The City of St. Peters is responsible for managing and accounting for the daily operations of the Water Pipeline Project, except when concurrence of both cities is required. Additional information regarding the Water Pipeline Project is provided in Note 11.

### **Basis Of Presentation**

The City's basic financial statements include both government-wide (reporting on the City as a whole) and fund financial statements (reporting the City's major funds).

### **Government-Wide 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 City. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

## CITY OF ST. PETERS, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings and other items not properly included among program revenues are reported instead as general revenues. The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activity.

#### **Fund Financial Statements**

Following the government-wide financial statements are separate financial statements for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balance for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

#### **Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are two categories of funds used by the City, governmental and proprietary.

#### **Governmental Funds**

Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use, and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income. The following are the City's governmental major funds:

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

**Transportation Trust** - The transportation trust fund is used to account for transportation sales tax revenues and grants to be used for the construction, reconstruction, repair and maintenance of streets, roads and bridges.

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



## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

**Capital Projects** - The capital projects fund is used to account for financial resources to be used for acquisition or construction of major capital facilities.

The other governmental funds of the City are considered nonmajor. They are special revenue funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

### **Proprietary Funds**

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus used is the economic resources measurement focus. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has four enterprise funds which are all considered major funds as follows:

**Waterworks/Sanitary Sewer** - The waterworks/sanitary sewer fund is used to account for the billing and collection of charges for water and sanitary sewer services for customers of the waterworks and sanitary sewer system. Revenues are used to pay for both operating expenses and capital costs to maintain these services.

**Solid Waste** - The solid waste fund is used to account for the provision of solid waste collection to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

**Public Improvement Corporation** - The public improvement corporation fund is used to account for the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City.

**Central Materials Processing Facility** - The central materials processing facility fund is used to account for revenues and expenses resulting from the processing of solid waste. Trash and recyclable materials are sorted by recyclable type (i.e., cardboard, newspaper, plastic, glass, aluminum, etc.). The sorted recyclables are then baled and sold to companies that use recyclable material in the manufacturing of their products. The remaining material (trash) is taken to a landfill.

Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, offers the option to enterprise funds and the government-wide financial statements of following all Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, unless the latter conflict with or contradict GASB pronouncements. The City elected not to follow FASB statements and interpretations issued after such date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

## **CITY OF ST. PETERS, MISSOURI**

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### **Notes To Basic Financial Statements (Continued)**

The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

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.

#### **Measurement Focus**

##### **Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the Statement of Net Assets.

##### **Fund Financial Statements**

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

#### **Basis Of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and proprietary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

#### **Revenues - Exchange And NonExchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (See Note 3). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year-end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

#### **Deferred And Unearned Revenues**

Deferred revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Certain grants received before eligibility requirements are met are reported as unearned revenues.

In governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

#### **Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

#### **Cash And Cash Equivalents And Investments**

The City's "cash and cash equivalents" consist of highly liquid investments (including restricted assets) with maturity dates within three months of the date acquired by the City. "Investments" consist of those investments with maturity dates greater than three months at the time of purchase by the City. Investments that have a maturity date of less than one year at the time of purchase are carried at cost or amortized cost because of their short-term maturities. Certain restricted investments of the Bond Reserve Funds in the enterprise funds are carried at cost as allowed by GASB 31. Investments that have a maturity date of greater than one year at the time of purchase are carried at fair value. Fair value is based on quoted market prices.

#### **Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

#### **Inventories**

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The cost of governmental fund-type inventories is recorded as expenditures when consumed rather than when purchased.

#### **Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded, is employed within the governmental fund financial statements. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and are reported as a reservation of fund balance to indicate that a portion of the fund balance is not available for subsequent appropriation.

#### **Capital Assets**

Capital assets, which include property, plant, equipment and prospectively reported infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of \$250 or more for general capital assets and \$5,000 or more for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

In accordance with the transitional provision of GASB Statement No. 34, general government infrastructure assets (streets, bridges, sidewalks) have not been fully capitalized retroactively at September 30, 2005 but will be over the next two years.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

## CITY OF ST. PETERS, MISSOURI

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### Notes To Basic Financial Statements (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 years
Structures and improvements	20 years
Water and sewer lines	50 years
Streets, bridges and sidewalks	12 - 50 years
Furniture and other equipment	5 - 8 years
Vehicles	5 years
Computer equipment	5 years
Software	3 years
Land improvement	20 years
Pool equipment	5 years

### Compensated Absences

City employees earn vacation during the current year which must be taken in the subsequent year. Accrued vacation time is recognized as a liability when incurred and any unused accumulated vacation is payable to employees upon termination. Based upon the policy of the City, all of the accrued vacation is due within one year and is recorded in the government-wide and proprietary fund financial statements as a short-term liability. A liability for these amounts is reported in governmental funds only if the amounts due at year end have matured. Sick leave benefits do not vest and are recorded as expenditures when paid. Compensated absences are typically liquidated by the general fund.

### Long-Term Liabilities

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

In the fund financial statements, governmental funds 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. The accounting for long-term liabilities in the proprietary funds is the same as it is in the government-wide financial statements.

## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

#### **Debt Refunding**

For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt or new debt, whichever is shorter, using the straight-line method since the results of the straight-line method are not materially different from the use of the effective interest method. The deferred refunding amounts are classified as a component of bonds payable in the government-wide and proprietary fund financial statements.

#### **Interfund Activity**

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expensed are recorded as other financing sources (uses) in the governmental fund financial statements.

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

#### **Net Assets**

In the government-wide and proprietary fund financial statements, net assets is displayed in three components as follows:

**Invested In Capital Assets, Net Of Related Debt** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

**Restricted** - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

**Unrestricted** - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

#### **Reserved Fund Balance**

Reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriations or is legally segregated for a specific future use.

#### **Investment In Joint Venture**

The City's investment in the St. Peters - St. Charles Water Pipeline Project (the Joint Venture) is recorded on the equity method of accounting, taking into consideration capitalized interest.

**Statement Of Cash Flows**

The proprietary funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**Estimates And Assumptions**

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

**2. Deposits And Investments**

During fiscal year 2005, the City adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures, an Amendment of GASB Statement No. 3* (GASB 40). The adoption of GASB 40 modifies certain financial statement disclosure requirements: The new standard enhances deposit and investment risk disclosures by updating the custodial credit risk disclosure requirements of GASB 3 and addressing other common risks, including concentration of credit risk, interest rate risk, and foreign currency risk. The implementation of GASB 40 had no effect on financial statement amounts.

**Investment Policy**

The City's Deputy Investment Officer, subject to the review of the Investment Officer, is authorized to invest excess cash in any investments authorized by the City's investment policy. The City's investment policy conforms to the investment policy guidelines set forth by the State of Missouri. The City's investment policy authorizes the City to invest in the following instruments: insured or collateralized certificates of deposit, certain collateralized repurchase agreements, direct obligations of any state in the United States and certain Missouri governmental entities (as outlined in the policy) that are rated "AAA" by Standard & Poor's Corporation and/or "Aaa" by Moody's Investor Service at the time of purchase, direct obligations of the United States of America, and obligations issued or guaranteed by certain agencies of the United States of America (as outlined in the policy). As of September 30, 2005, all of the City's investments were in compliance with the City's investment policy.

Any bond ordinance, contract or other document, which imposes more stringent standards for investments than those set forth in the policy, shall govern the investment of such funds. To the extent the City's policy shall impose more stringent standards for investments than those set forth in any bond ordinance, contract or other document, the City's policy shall govern such investments.

# CITY OF ST. PETERS, MISSOURI

## Notes To Basic Financial Statements (Continued)

As of September 30, 2005, the City's deposit and investment balances were as follows:

<u>Deposit/Investment Type</u>	<u>Carrying Value</u>
Deposits	\$ 55,602,861
Certificates of deposit	2,750,000
United States treasuries	1,056,500
Money market funds	4,693,905
	<u>\$ 64,103,266</u>

As of September 30, 2005, the discretely presented component unit's investment balances were as follows:

Money market funds	\$ 86,004
United States treasuries	98,735
United States agencies	151,641
Commercial paper	506,512
Corporate stocks	580,844
Equity mutual funds	761,855
	<u>\$ 2,185,591</u>

The discretely presented component unit is not required to adopt the provision of GASB 40.

### Interest Rate Risk

As of September 30, 2005, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
United States treasuries	\$ 1,025,818	1.28
Money market funds	4,693,905	0.11

Generally, all investments shall be held to maturity to avoid market losses. To enable investments to be held to maturity, investments shall be made in a manner that insures the availability of funds on a timely and adequate basis for payment of general expenditures and capital outlay projects. Maturity limitations shall depend on fund type (i.e., short-term or long-term). All funds shall be considered short-term, except those for debt service reserves, capital projects, special assessment funds and trust funds, unless otherwise determined by the Investment Officer consistent with the policy.

Market price volatility risk and reinvestment risk shall be controlled through maturity diversification.



## **CITY OF ST. PETERS, MISSOURI**

### Notes To Basic Financial Statements (*Continued*)

All repurchase agreements shall have a maturity of not longer than 30 days. No more than 15% of the City's portfolio shall be invested in repurchase agreements, unless approval has been obtained by the Board of Aldermen.

Short-term fund investment maturities shall be scheduled to coincide with projected cash flow needs, considering anticipated revenues and large routine expenditures (e.g. payroll). Short-term funds shall be invested in instruments whose maturities do not exceed one year at the time of purchase.

At no time shall the City invest Short-Term Funds with a maturity date of over one year without the approval of the Board of Aldermen prior to commitment of such funds.

Debt service reserve funds may be invested for a period corresponding to the maturity on the bonds that such debt service reserve fund secures. All other Long-Term Funds may be invested with maturities that generally coincide with the expected fund uses. Long-Term Funds may only be invested in investments that are permitted in the policy.

#### **Credit Risk**

The City will minimize the credit risk, the risk of loss due to failure of the security issuer or backer, by pre-qualifying the financial institutions, broker/dealers, advisors and depositories with which the City will do business. The City will also diversify the portfolio so that potential losses on individual securities will be minimized.

The City's credit ratings associated with their investments in money market funds all carry a credit rating assigned by Standard and Poor's of "AAA" and assigned by Moody's of "Aaa".

#### **Concentration of Credit Risk**

The City's investment policy places no specific limits on the amount the City may invest in any one issuer as a percentage of the total portfolio, with the exception of repurchase agreements, which are limited to 15% of the portfolio. The City employs the "prudent person" standard, as defined in the policy, to determine the instrument type and maturity that the City invest its funds in. The following table lists investments in issuers that represent 5% or more of total investments at September 30, 2005:

<b>Issuer</b>	<b>Percent Of Total Investments</b>
<b>Fidelity Treasury Funds</b>	<b>75%</b>

#### **Custodial Credit Risk**

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 its investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial credit risk by pre-qualifying institutions with which the City places investments, diversifying its investment portfolio and maintaining the "prudent person" standard of quality for its investments.

## **CITY OF ST. PETERS, MISSOURI**

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### **Notes To Basic Financial Statements (Continued)**

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution.

### **3. Property Tax**

The City's property tax is levied annually, on or before September 1, based on the assessed valuation of property located in the City as of the previous January 1. Assessed valuations are established by the St. Charles County Assessor. The City tax rate was levied at \$.8500 per \$100 of assessed valuation of which \$.5890 is for general revenue purposes and \$.2610 for the payment of principal and interest on general obligation bonds. Taxes are billed November 1, are due and collectible on December 31, and are delinquent and represent a lien on related property on January 1 of the following year. Taxes are billed, collected, and remitted to the City by the St. Charles County Collector.

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (*Continued*)

**4. Capital Assets**

Capital asset activity for the year ended September 30, 2004:

	Balance - October 1, 2004	Other Adjustments (Note 15)	Additions	Retirements	Balance - September 30, 2005
<b>Government Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 17,255,295	\$ 19,700	\$ 585,352	\$ —	\$ 17,860,347
Construction in progress	8,034,714	2,776,936	5,617,225	(8,879,701)	7,549,174
Total capital assets, not being Depreciated	25,290,009	2,796,636	6,202,577	(8,879,701)	25,409,521
Capital assets, being depreciated:					
Structures and improvements	42,124,319	—	394,565	—	42,518,884
Machinery and equipment	13,957,453	—	916,070	(40,176)	14,833,347
Furniture and fixtures	1,147,274	—	23,308	(1,523)	1,169,059
Vehicles	4,884,694	—	556,547	(358,094)	5,083,147
Infrastructure	20,409,699	—	10,974,446	—	31,384,145
Total capital assets being Depreciated	82,523,439	—	12,864,936	(379,793)	94,988,582
Less accumulated depreciation for:					
Structures and improvements	16,181,761	—	1,577,395	—	17,759,146
Machinery and equipment	11,350,180	—	957,305	(40,116)	12,267,369
Furniture and fixtures	1,013,473	—	38,551	(1,435)	1,050,589
Vehicles	3,610,020	—	475,262	(298,540)	3,786,742
Infrastructure	887,907	—	1,003,283	—	1,891,190
Total accumulated depreciation	33,043,341	—	4,051,786	(340,091)	36,755,036
Total capital assets, being depreciated, net	49,480,098	—	8,813,150	(59,702)	58,233,546
Governmental activities capital assets, net	\$ 74,770,017	\$ 2,796,636	\$ 15,015,727	\$ (8,939,403)	\$ 83,643,067

The City has elected to phase in over part of the available transitional period, the retroactive reporting of infrastructure capital assets. All infrastructure assets placed in service prior to October 1, 2002 will be reported in future financial statements in accordance with the transitional provisions allowed for infrastructure assets in GASB 34.

# CITY OF ST. PETERS, MISSOURI

## Notes To Basic Financial Statements (Continued)

	Balance - October 1, 2004	Additions	Retirements	Balance - September 30, 2005
<b>Business-Type Activities:</b>				
<b>Waterworks/Sanitary Sewer:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,274,998	\$ —	\$ —	\$ 1,274,998
Construction in progress	293,551	600,460	(12,598)	881,413
Total capital assets not being depreciated	1,568,549	600,460	(12,598)	2,156,411
Capital assets, being depreciated:				
Structures and improvements	22,496,958	17,209	—	22,514,167
Water lines	19,399,713	312,232	—	19,711,945
Sewer lines	17,166,959	679,751	—	17,846,710
Machinery and equipment	4,478,607	284,944	(28,998)	4,734,553
Other assets	31,018	—	—	31,018
Total capital assets being depreciated	63,573,255	1,294,136	(28,998)	64,838,393
Less accumulated depreciation for:				
Structures and improvements	15,941,430	743,392	—	16,684,822
Water Lines	6,218,591	396,799	—	6,615,390
Sewer Lines	5,957,687	363,866	—	6,321,553
Machinery and equipment	3,424,928	424,734	(28,921)	3,820,741
Other Assets	16,287	1,393	—	17,680
Total accumulated depreciation	31,558,923	1,930,184	(28,921)	33,460,186
Total capital assets being depreciated, net	32,014,332	(636,048)	(77)	31,378,207
Waterworks/sanitary sewer capital assets, net	\$ 33,582,881	\$ (35,588)	\$ (12,675)	\$ 33,534,618
<b>Solid Waste:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ —	\$ —	\$ —	\$ —
Construction in progress	—	—	—	—
Total capital assets not being depreciated	—	—	—	—
Capital assets, being depreciated:				
Structures and improvements	223,807	—	—	223,807
Machinery and equipment	2,469,277	269,605	—	2,738,882
Total capital assets being depreciated	2,693,084	269,605	—	2,962,689
Less accumulated depreciation for:				
Structures and improvements	111,093	9,676	—	120,769
Machinery and equipment	1,995,007	220,216	—	2,215,223
Total accumulated depreciation	2,106,100	229,892	—	2,335,992
Total capital assets being depreciated, net	586,984	39,713	—	626,697
Solid waste capital assets, net	\$ 586,984	\$ 39,713	\$ —	\$ 626,697

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

	Balance - October 1, 2004	Additions	Retirements	Balance September 30, 2005
<b>Business-Type Activities (Continued):</b>				
<b>Public Improvement Corporation:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,800,000	\$ —	\$ —	\$ 1,800,000
Construction in progress	230,921	931,710	—	1,162,631
Total capital assets not being depreciated	2,030,921	931,710	—	2,962,631
Capital assets, being depreciated:				
Structures and improvements	5,444,803	153,574	—	5,598,377
Machinery and equipment	3,792,161	—	(18,722)	3,773,439
Furniture and fixtures	268,291	—	—	268,291
Total capital assets being depreciated	9,505,255	153,574	(18,722)	9,640,107
Less accumulated depreciation for:				
Structures and improvements	914,789	203,150	—	1,117,939
Machinery and equipment	2,460,557	367,054	(17,505)	2,810,106
Furniture and fixtures	108,133	32,658	—	140,791
Total accumulated depreciation	3,483,479	602,862	(17,505)	4,068,836
Total capital assets being depreciated, net	6,021,776	(449,288)	(1,217)	5,571,271
Public Improvement Corporation capital assets, net	\$ 8,052,697	\$ 482,422	\$ (1,217)	\$ 8,533,902
<b>Central Materials Processing Facility:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 565,973	\$ 21,266	\$ —	\$ 587,239
Construction in progress	—	—	—	—
Total capital assets not being depreciated	565,973	21,266	—	587,239
Capital assets, being depreciated:				
Structures and improvements	3,930,240	—	—	3,930,240
Machinery and equipment	1,641,195	—	—	1,641,195
Furniture, fixtures and other assets	146,007	—	—	146,007
Total capital assets being depreciated	5,717,442	—	—	5,717,442
Less accumulated depreciation for:				
Structures and improvements	1,166,426	159,167	—	1,325,593
Machinery and equipment	1,338,919	74,974	—	1,413,893
Furniture, fixtures and other assets	52,994	19,590	—	72,584
Total accumulated depreciation	2,558,339	253,731	—	2,812,070
Total capital assets being depreciated, net	3,159,103	(253,731)	—	2,905,372
Central Materials Processing Facility capital assets, net	\$ 3,725,076	\$ (232,465)	\$ —	\$ 3,492,611

## CITY OF ST. PETERS, MISSOURI

### Notes To Basic Financial Statements (Continued)

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

<b>Governmental Activities:</b>	
General Government	\$ 245,278
Administration	350,098
Public Safety	309,524
Municipal Court	3,065
Public Works	1,353,808
Engineering	44,194
Vehicle and Equipment Maintenance	34,368
Health and Environmental	33,962
Parks and Recreation	1,485,320
Community Relations	111,909
Community and Arts	80,260
	<hr/>
Total depreciation expense - governmental-type activities	\$ 4,051,786
	<hr/>
<b>Business-type Activities:</b>	
Waterworks	\$ 1,930,184
Solid Waste	229,892
PIC	602,862
Central Materials Processing Facilities	253,731
	<hr/>
Total depreciation expense - business-type activities	\$ 3,016,669
	<hr/>

## 5. Employees' Retirement System

### Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

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

# CITY OF ST. PETERS, MISSOURI

## Notes To Basic Financial Statements (Continued)

### Funding Status

The City's full-time employees contribute 4% of their gross salary to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 11.9% (general) and 12.3% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

### Annual Pension Cost

For the 2005 Plan year, the City's annual pension cost of \$3,011,310 (employer and employee contributions of \$2,250,488 and \$760,822, respectively) was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2002 and/or February 28, 2003 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, before retirement and 4.0% per year, compounded annually, after retirement, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the 1983 Group Annuity Mortality table, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 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, 2005 was 15 years.

### Three-Year Trend Information

<b>Fiscal Year Ending</b>	<b>Annual Pension Costs (APC)</b>	<b>Percentage Of APC Contributed</b>	<b>Net Pension Obligation</b>
June 30, 2003	\$ 2,687,097	100%	\$ —
June 30, 2004	\$ 2,785,445	100%	—
June 30, 2005	\$ 3,011,310	100%	—

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

**Unaudited  
Required Supplementary Information  
Schedule Of Funding Progress**

Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Entry Age Actuarial Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL As A Percentage Of Covered Payroll
February 28, 2000	\$ 18,516,233	\$ 21,374,977	\$ 2,858,744	87%	\$ 14,667,535	19%
February 28, 2001	22,914,427	23,587,920	673,493	97	16,405,237	4
February 28, 2002	26,095,648	34,790,135	8,694,487	75	16,869,756	52
February 28, 2003	28,371,495	38,701,789	10,330,294	73	17,609,354	59
February 29, 2004	31,388,499	42,491,859	11,103,360	74	18,195,286	61
February 28, 2005	35,295,426	46,959,411	11,663,985	75	18,874,777	62

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, 2001 annual actuarial valuations.

**6. Long-Term Liabilities**

The original issue amount and fund maturity date for each bond outstanding is as follows:

	Original Issue Amount	Date Of Maturity
General Obligation:		
Series 1997 Refunding	\$ 7,170,000	September 2007
Series 1999 Refunding	16,035,000	January 2013
Series 2002	2,502,000	March 2021
Series 2004 Refunding	9,520,000	March 2016
Series 2005	22,500,000	September 2008
Tax Increment Revenue		
Series 2001	9,900,000	December 2012
Revenue Bonds:		
Series 1992 B	5,560,000	November 2045
Series 1999	9,910,000	May 2015
Series 2002	4,110,000	November 2007
Series 2003	12,970,000	May 2013
PIC Leasehold Revenue Bonds		
Series 1998	5,000,000	July 2018
Series 2002	2,500,000	June 2022
Series 2003	7,070,000	December 2023



**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

The following is a summary of changes in the City's long-term liabilities for the year ended September 30, 2005, including the long-term debt obligations of the Public Improvement Corporation (PIC) (see Note 7):

	Balance - October 1, 2004	Additions	Retirements	Balance - September 30, 2005	Current Portion
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Series 1997 Refunding	\$ 2,550,000	\$ —	\$ 795,000	\$ 1,755,000	\$ 850,000
Series 1999 Refunding	13,510,000	—	625,000	12,885,000	635,000
Series 2002	2,500,000	—	—	2,500,000	—
Series 2004 Refunding	9,520,000	—	—	9,520,000	—
Series 2005	—	22,500,000	—	22,500,000	—
Tax Increment Revenue Notes:					
Taxable Series 2001	5,423,000	—	—	5,423,000	—
Tax-exempt - Series 2001	3,513,000	—	—	3,513,000	—
Compensated absences	871,692	1,551,361	1,491,545	931,508	931,508
	<u>\$ 37,887,692</u>	<u>\$ 24,051,361</u>	<u>\$ 2,911,545</u>	<u>59,027,508</u>	<u>\$ 2,416,508</u>
Add: Unamortized premium, net				268,737	
Less: Bond issue costs and deferred amount on refunding				(1,036,845)	
<b>Total Governmental Activities</b>				<u>\$ 58,259,400</u>	
<b>Business-Type Activities:</b>					
Water/Sewer Revenue Bonds:					
Series 1992 B	\$ 1,075,000	\$ —	\$ 550,000	\$ 525,000	\$ 525,000
Capital Appreciation Series 1999	9,910,000	—	—	9,910,000	180,000
Series 2002 Refunding	2,455,000	—	895,000	1,560,000	780,000
Capital Appreciation Series 2003	12,970,000	—	—	12,970,000	—
PIC Leasehold Revenue Bonds (Note 7)					
Series 1998	3,635,000	—	265,000	3,370,000	275,000
Series 2002	2,445,000	—	235,000	2,210,000	240,000
Series 2003	7,070,000	—	260,000	6,810,000	265,000
Compensated absences	217,323	381,636	368,383	230,576	230,576
	<u>\$ 39,777,323</u>	<u>\$ 381,636</u>	<u>\$ 2,573,383</u>	<u>37,585,576</u>	<u>\$ 2,495,576</u>
Less: Unamortized discount, bond issue costs and deferred amount on refunding				(626,268)	
Unaccreted capital appreciation on bonds				(7,653,003)	
<b>Total Business-Type Activities</b>				<u>\$ 29,306,305</u>	

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

**Debt Service Requirements To Maturity (Including Public Improvement Corporation)**

The annual principal requirements to maturity of bonded debt outstanding as of September 30, 2005 are as follows:

Year Ending September 30,	Governmental Activities		Business-Type Activities:				Total Debt	
	General Obligation		Revenue Bonds		Public Improvement Corporation		Service Requirements To Maturity	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 1,485,000	\$ 2,161,878	\$ 1,485,000	\$ 56,978	\$ 780,000	\$ 517,006	\$ 3,750,000	\$ 2,735,862
2007	1,550,000	2,143,813	1,520,000	19,195	815,000	492,360	3,885,000	2,655,368
2008	24,820,000	2,016,763	1,540,000	6,700	835,000	464,555	27,195,000	2,488,018
2009	2,540,000	951,003	1,365,000	—	745,000	433,765	4,650,000	1,384,768
2010	2,800,000	813,298	1,365,000	—	730,000	405,599	4,895,000	1,218,897
2011 - 2015	13,280,000	2,065,064	6,810,000	—	3,415,000	1,579,154	23,505,000	3,644,218
2016 - 2020	2,315,000	313,670	6,800,000	—	3,065,000	829,345	12,180,000	1,143,015
2021 - 2025	370,000	9,250	4,080,000	—	2,005,000	194,456	6,455,000	203,706
	\$ 49,160,000	\$ 10,474,739	\$ 24,965,000	\$ 82,873	\$ 12,390,000	\$ 4,916,240	\$ 86,515,000	\$ 15,473,852

**General Obligation Bonds**

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net assets, were issued to finance various capital projects. \$2,847,740 is available in the City's Debt Service Funds to repay general obligation bonds. The remainder of the general obligation bonds is to be repaid from future property tax levies. The bonds bear interest at rates ranging from 3.10% to 5.15% and mature through 2021.

**Revenue Bonds (Excluding Public Improvement Corporation)**

All revenue bonds payable are recorded in the appropriate enterprise funds since the ordinances authorizing the bond issues require that the bonds be repaid from operations of the respective enterprise fund. These bonds are payable solely from, and secured by, a pledge of the net revenues to be derived from the operation of the Waterworks and Sewerage System. The bond ordinances require the establishment of certain cash reserve accounts which are described in Note 9. These bonds bear interest at rates ranging from 1.40% to 8.10% and mature through 2023.

# CITY OF ST. PETERS, MISSOURI

## Notes To Basic Financial Statements (Continued)

### Legal Debt Margin

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. This does not include an additional debt limit of 10% assessed valuation available for street improvements or waterworks and electric plants as provided under the statutes of the State of Missouri. The computation is as follows:

Assessed valuation - 2004 tax year	<u>\$ 858,143,527</u>
Debt limit - 10% of assessed valuation	<u>85,814,353</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	49,160,000
Less: Amount available in debt service fund	<u>2,847,740</u>
Bond indebtedness applicable to debt limit	<u>46,312,260</u>
Legal debt margin	<u>\$ 39,502,093</u>

### Tax Increment Financing (TIF) Notes Payable

The tax increment financing notes payable are payable from payments in lieu of taxes collected by the Special Allocation special revenue funds.

The TIF notes represent special, limited obligations of the City, payable solely from the incremental sales and property taxes generated by the development project. The balance at September 30, 2005 represents outstanding notes with no accrued interest. The annual debt service repayments of the TIF notes are contingent upon the amounts of payments in lieu of taxes collected by the TIF districts. The notes bear interest at rates ranging from 7.0% to 8.5% and mature December 1, 2012.

## 7. City Of St. Peters, Missouri Public Improvement Corporation

On August 24, 1990, the Public Improvement Corporation (PIC) was formed as a Missouri not-for-profit corporation. The purpose of the PIC is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of St. Peters, Missouri.

Funding of such capital improvements and facilities has been provided through the issuance of leasehold revenue bonds. The revenue bonds do not constitute a legal debt or liability for the City, the State of Missouri, or for any political subdivision thereof and do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the revenue bonds does not obligate the City to levy any form of taxation, therefore, or to make any appropriation for their payment in any fiscal year. The PIC has no taxing power.

## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

On December 1, 2003, the PIC issued \$7,070,000 of Leasehold Revenue Bonds, Series 2003. Proceeds from the sale of the bonds were used to finance the construction of improvements to Laurel Park, improvements to other City parks and trails, the acquisition of recreational facilities and improvements thereto, erosion control, watershed and basin improvements, and other storm water management related projects. Simultaneously with the issuance of these 2003 Leasehold Revenue Bonds, the City entered into a lease agreement dated December 1, 2003 whereby a portion of the property, facilities and improvement acquired or constructed by the PIC have been leased to the City. The initial lease was renewed on September 30, 2004 and subject to annual budget appropriations. The lease will have successive one-year renewal options for a period of nineteen years. At the end of the nineteen-year period, the assets will be inventoried and become property of the City. Rental payments by the City are to be sufficient at all times to pay, when due, the principal, redemption premium, if any, and interest on the 2003 Leasehold Revenue Bonds. For fiscal year 2005, the City made lease payments totaling \$525,732.

On June 1, 2002, the PIC issued \$2,900,000 of Leasehold Revenue Bonds, Series 2002. Proceeds from the sale of the bonds were used to finance the acquisition and renovation of a building for use primarily by the City's construction management department and for the City's cable television operations, acquisition of solid waste collection vehicles, acquisition of a communications system and acquisition of other personal property for municipal use. Simultaneously with the issuance of these 2002 Leasehold Revenue Bonds, the City entered into a lease agreement dated June 1, 2002 whereby a portion of the property, facilities and improvement acquired or constructed by the PIC have been leased to the City. The initial lease was renewed on September 30, 2002 and subject to annual budget appropriations. The lease will have successive one-year renewal options for a period of twenty years. At the end of the twenty-year period, the assets will be inventoried and become property of the City. Rental payments by the City are to be sufficient at all times to pay, when due, the principal, redemption premium, if any, and interest on the 2002 Leasehold Revenue Bonds. For fiscal year 2005, the City made lease payments totaling \$333,609.

On July 1, 1998, the PIC issued \$5,000,000 of Leasehold Revenue Bonds, Series 1998. Proceeds from the sale of the bonds were used to finance an expansion and renovation of the police station, an expansion to the City's senior citizens center, modifications to the skating rink, acquisition of computer system hardware, and renovation of the City Hall. Simultaneously with issuance of these 1998 Leasehold Revenue Bonds, the City entered into a lease agreement dated July 1, 1998 whereby a portion of the property, facilities and improvements acquired or constructed by the PIC have been leased to the City. The initial lease was renewed on September 30, 1998 and subject to annual budget appropriations. The lease will have successive one-year renewal options for a period of twenty years. At the end of the twenty-year period, the assets are intended to become the property of the City. Rental payments by the City are to be sufficient at all times to pay, when due, the principal, redemption premium, if any, and interest on the 1998 Leasehold Revenue Bonds. For fiscal year 2005, the City made lease payments totaling \$434,138.

## CITY OF ST. PETERS, MISSOURI

### Notes To Basic Financial Statements (Continued)

#### 8. Prior Years' Debt Defeasance

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt had been issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is considered defeased and, therefore, removed as a liability from the City's financial statements. As of September 30, 2005, the amount of prior years' defeased debt outstanding, but removed from the financial statements amounted to \$1,925,000.

#### 9. Enterprise Funds Revenue Bond Requirements

Cash and cash equivalents and investments restricted at September 30, 2005 are as follows:

Revenue fund	\$ 281,102
Operation and maintenance fund	358,190
1992B (Taxable) Bond and Interest Fund	520,231
Series 1992B (Taxable) Bond Reserve Fund	559,475
Series 1998 Leasehold Revenue Bond Reserve Fund	445,467
Series 1999 Waterworks and Sewage Bond Reserve Fund	90,000
Series 2002 Revenue Refunding Bond Reserve Fund	437,048
Series 2002 Revenue Refunding Bond and Interest Fund	826,440
Series 2002 Leasehold Revenue Bonds Reserve Fund	244,186
Series 2003 Leasehold Revenue Bonds Reserve Fund	543,363
Depreciation Fund	225,000
Interest Reserve Fund	500,000
Contingency Fund	653,650
	<u>\$ 5,684,152</u>

The various Leasehold and other Revenue Bond and related documents provide for the restriction of operating revenues of the enterprise fund after current operating expenses have been met. The Ordinance also provides for additional restrictions of operating revenues. The following are descriptions of the related reserve requirements:

##### Revenue Fund

Requirements - deposit of the gross earnings (excluding tap-on fees) of the Waterworks and Sewer System as collected, to be disbursed to the following funds as required.

##### Operation And Maintenance Fund

Requirements - monthly credit of a sum sufficient to pay the expenses for that month.

## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

#### **Series 1992B (Taxable) Bond And Interest Funds**

Requirements - monthly credit of one-sixth (1/6) of the interest due on the succeeding interest payment date plus one-twelfth (1/12) of the principal amount due the next succeeding November 1, if any, to be used only for the payment of principal and interest.

#### **Series 1992B (Taxable) Bond Reserve Fund**

Requirements - initial deposit of \$545,376 to be used only for payment of principal and interest on the bonds in the event insufficient funds are available in the bond and interest fund. In the event monies are drawn from the fund, the City will replenish the fund to \$545,376 by making 12 monthly deposits into the fund in the 12 months immediately succeeding the use. The Bond Reserve Fund may also be used to call the Series 1992B (Taxable) bonds for redemption and payment prior to their maturity.

#### **Series 1998 Leasehold Revenue Bond Reserve Fund**

Requirements - initial deposit of \$437,913 to be used for the payment of principal and interest on the bonds in the event insufficient funds are available in the bond fund. In the event monies are drawn from this fund, the city will replenish the fund the full amount that was withdrawn by making 12 monthly deposits into the fund in the 12 months immediately succeeding the use.

#### **Series 1999 Waterworks And Sewage Revenue Bonds**

Requirements - monthly credit (1/12) of the debt service payment due the next succeeding May 1.

#### **Series 2002 Revenue Refunding Bond Reserve Fund**

Requirements - initial deposit of \$411,000 to be used only for payment of principal and interest on the bonds in the event insufficient funds are available in the bond and interest fund. In the event monies are drawn from the fund, the City will replenish the fund to \$411,000 by making 12 monthly deposits into the fund in the 12 months immediately succeeding the use. The Bond Reserve Fund may also be used to call the Series 2002 Revenue Refunding bonds for redemption and payment prior to their maturity.

#### **Series 2002 Revenue Refunding Bond And Interest Fund**

Requirements - monthly credit of one-sixth (1/6) of the interest due on the succeeding interest payment date plus one-twelfth (1/12) of the principal amount due the next succeeding November 1, if any, to be used only for the payment of principal and interest.

#### **Series 2002 Leasehold Revenue Bond Reserve Fund**

Requirements - initial deposit of \$239,721 to be used for the payment of principal and interest on the bonds in the event insufficient funds are available in the bond fund. In the event monies are drawn from this fund, the city will replenish the fund the full amount that was withdrawn by making 12 monthly deposits into the fund in the 12 months immediately succeeding the use.

## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

#### **Series 2003 Leasehold Revenue Bond Reserve Fund**

Requirements - initial deposit of \$533,193 to be used for the payment of principal and interest on the bonds in the event insufficient funds are available in the bond fund. In the event monies are drawn from this fund, the city will replenish the fund no later than the next succeeding Rental Payment date in equal monthly installments over a period not to exceed 13 months after being notified of such deficiency.

#### **Depreciation Fund**

Requirements - initial transfer and credit of \$225,000 to be used only for the payment of principal and interest on the bonds in the event that insufficient funds are available in the bond or bond reserve funds to pay for the costs of necessary replacements to the Waterworks and Sewerage System. In the event monies are drawn from this fund, the City will replenish the fund to \$225,000 by making 24 equal monthly deposits into the fund in the 24 months immediately succeeding the use.

#### **Interest Reserve Fund**

Requirements - initial transfer and credit of \$500,000 and thereafter such amounts as appropriated by the Board of Alderman of the City from the Contingency Account, the General Fund of the City, or other available funds of the City. Monies in the Interest Reserve Fund shall be held and used by the City to make up any deficiency in any of the accounts or subaccounts in the Revenue Fund and may be withdrawn by the City at any time and applied to its general governmental purposes if not required to satisfy the City's rate covenant.

#### **Contingency Fund**

Requirements - amounts remaining in the revenue fund after disbursement to other funds based on individual fund requirements shall be deposited in the Contingency Fund for the purposes of paying the costs of improvements, extensions, or additions to the system, retiring bonds in advance of maturity or for any lawful purpose of the City.

#### **Rate Covenant**

Requirements - the City will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by the Waterworks and Sewer System to provide revenues in each fiscal year to pay for the operating costs of the system, the bond principal and interest payments, and any required deposits. Such rates should generate available revenues (net revenues plus interest reserve fund monies) at least equal to 125% of the principal and interest requirements on all bonds during the fiscal year and net revenues at least equal to 100% of the principal and interest requirements on all bonds during the fiscal year.

The City met all related revenue bond reserve requirements.

**CITY OF ST. PETERS, MISSOURI**

## Notes To Basic Financial Statements (Continued)

**10. Interfund Balances And Transfers**

The following represents a reconciliation of transfers between individual funds for the year ended September 30, 2005:

	<u>Transfers From</u>	<u>Transfers To</u>	<u>Net Transfers</u>
<b>Major Governmental Funds:</b>			
General	\$ 2,406,132	\$ —	\$ (2,406,132)
<b>Nonmajor Governmental Funds:</b>			
Recreation	10,500	—	(10,500)
Post Employment Benefits	—	2,477,632	2,477,632
<b>Major Enterprise Funds:</b>			
Waterworks/sanitary Sewer	30,000	—	(30,000)
Solid Waste	16,500	—	(16,500)
Central Materials Processing Facility	14,500	—	(14,500)
	<u>\$ 2,477,632</u>	<u>\$ 2,477,632</u>	<u>\$ —</u>

Interfund transfers totaling \$2,477,632 were used to fund post-retirement benefits to be paid on behalf of retirees.

Individual fund interfund receivable and payable balances as of September 30, 2005 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<b>Major Governmental Funds:</b>		
General fund	\$ 315,059	\$ —
Transportation trust fund	—	32,457
<b>Nonmajor Governmental Funds:</b>		
Recreation fund	—	71,546
Community Development Block Grant fund	—	22,206
<b>Major Enterprise Funds:</b>		
Utilities Operating Fund	—	32,827
Solid Waste fund	—	59,589
Central Materials Processing Facility	—	96,434
	<u>\$ 315,059</u>	<u>\$ 315,059</u>



## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

The amounts due to or from individual funds represent interfund borrowings and arise in the normal course of business. Interfund borrowings are necessary due to the nature and timing of governmental receipts.

Interfund payables at September 30, 2005 include \$71,546 in the Recreation Fund, \$32,457 in the Transportation Fund, \$59,589 in the Solid Waste Fund, \$32,827 in the Utilities Operating Fund, and \$96,434 in the Central Materials Processing Facility Fund for reimbursement to the General Fund for insurance expense. Receivables in the General Fund reflect the interfund payables.

An interfund payable of \$22,206 exists in the CDBG - Nonmajor Governmental Fund for reimbursement to the General Fund for CDBG administrative costs incurred during fiscal year 2005. A receivable in the General Fund reflects the interfund payable.

### **11. Joint Venture**

In October 1985, the City of St. Peters, Missouri and the City of St. Charles, Missouri entered into a joint venture agreement to form the St. Peters - St. Charles Water Pipeline Project (the Joint Venture). The purpose of the Joint Venture is to construct and operate a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of St. Louis, Missouri, to the separate facilities of the municipalities of St. Peters, Missouri and St. Charles, Missouri (the Owners), in order to adequately supply water by the pipeline to the citizens and businesses of the municipalities.

The Joint Venture is owned by the City of St. Peters, Missouri (31.8%) and the City of St. Charles, Missouri (68.2%). In accordance with the Joint Venture agreement, the City of St. Peters, Missouri is responsible for managing and accounting for the daily operations of the Joint Venture, except where concurrence of both cities is required. The Joint Venture receives all of its operating revenue from the water it sells to the Owners. The Owners financed the cost of construction of the pipeline and appurtenant facilities and, therefore, depreciation is excluded from the charges to the Owners. The cumulative investment in the Joint Venture by the City of St. Peters, Missouri through September 30, 2005 includes its proportionate share of water pipeline construction costs and an initial contribution to a water pipeline maintenance fund. Under terms of the Joint Venture agreement, additional contributions to maintain the water pipeline maintenance fund at an agreed-upon base amount may be required. The current base amount is \$500,000 which may be increased to a maximum of \$1,000,000 if maintenance costs so justify.

During 2005, the City of St. Peters, Missouri purchased water from the Joint Venture and paid related pumping charges totaling \$519,341. These costs are included as operating expenses of the City's waterworks/sanitary sewer enterprise fund.

## CITY OF ST. PETERS, MISSOURI

### Notes To Basic Financial Statements (Continued)

Condensed summary of financial information for the Joint Venture as of and for its fiscal year ended September 30, 2005 is as follows:

Assets	<u>\$ 7,292,054</u>
Liabilities	\$ 534,008
Partnership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Accumulated deficit:	
St. Peters	(754,640)
St. Charles	<u>(1,618,444)</u>
	<u>\$ 7,292,054</u>
Operating revenue	\$ 1,625,306
Operating expenses	1,781,735
Nonoperating revenue	<u>29,844</u>
Net Loss	<u>\$ (126,585)</u>

The joint venture issues a financial statement which may be obtained by writing to the St. Peters - St. Charles Water Pipeline Project, One St. Peters Centre Boulevard, St. Peters, Missouri 63376.

## 12. Insurance Programs

The City became self-insured with respect to workers' compensation, general liability and property and casualty insurance effective July 1, 1998 and medical insurance effective January 1, 1998. Unemployment compensation became effective in 1997. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims relating to these matters is recorded in the general fund.

The City obtains periodic funding information from the claims-servicing company managing the self-insurance programs and adjusts the charges to the various funds as required to maintain the appropriate level of estimated claims liabilities. The City maintains excess liability coverages for workers' compensation, general liability, property and casualty and medical costs. Settled claims did not exceed commercial coverages for each of the past three fiscal years.

At September 30, 2005, the City's total estimated liability for payment of incurred (both reported and unreported) but unpaid claims for workers' compensation, property, unemployment and medical costs was \$1,037,820.

**CITY OF ST. PETERS, MISSOURI**

## Notes To Basic Financial Statements (Continued)

Changes in the self-insured claims liabilities at September 30, 2005 and 2004 were as follows:

	Workers' Compensation/			Total
	General	Unemployment	Medical	
<b>Balance - September 30, 2003</b>	\$ 585,036	\$ 24,651	\$ 133,279	\$ 742,966
<b>Add: Current Year Claims And Changes In Estimate</b>	530,982	—	2,786,842	3,317,824
<b>Less: Claim payments</b>	585,036	21,390	2,592,741	3,199,167
<b>Balance - September 30, 2004</b>	530,982	3,261	327,380	861,623
<b>Add: Current Year Claims And Changes In Estimate</b>	612,820	—	2,475,750	3,088,570
<b>Less: Claim Payments</b>	465,982	3,261	2,443,130	2,912,373
<b>Balance - September 30, 2005</b>	\$ 677,820	\$ —	\$ 360,000	\$ 1,037,820

**13. Postemployment Health Care Benefits**

In accordance with City statutes, the City provides postemployment health care benefits to eligible employees who retire from the City, while a subscriber or participant, who elect to receive benefits and has more than five (5) years of service prior to the date of retirement, and who has elected to continue coverage under the plan, together with the spouse of such retired employee. At September 30, 2005, the City provided this benefit to 25 retirees. The City provides a contribution on behalf of the retired employee and spouse for health and/or dental insurance premiums based upon years of service

Upon the retired employee participant's attainment of age sixty-five (65), coverage for such participant and his spouse shall only be supplemental to Medicare Parts A and B, regardless of whether the participant enrolls for Medicare Parts A and B;

During fiscal year 2005, the cost of postemployment benefits, net of retiree contributions, totaled approximately \$184,867.

## CITY OF ST. PETERS, MISSOURI

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### Notes To Basic Financial Statements (*Continued*)

#### 14. Commitments And Contingencies

##### Litigation

A lawsuit captioned Great Rivers Habitat Alliance, et al., v. City of St. Peters, Missouri and the Missouri Attorney General, was filed on December 13, 2004 in Circuit Court of Cole County, Missouri, by 5 individuals and the Great Rivers Habitat Alliance (a Missouri benevolent corporation) seeking invalidation of the Lakeside 370 Business Park TIF Redevelopment Plan ("Plan") and the Ordinances adopting that Plan for redevelopment. A motion to intervene was filed on behalf of the County of St. Charles on July 19, 2005 to join as a plaintiff and assert claims to invalidate the Plan and Ordinances. On September 1, 2005, the Plaintiffs filed an amended petition, joined by St. Charles County. The City and Missouri Attorney General requested the Court grant judgment against plaintiffs on plaintiffs' claims that the TIF Act was unconstitutional. On December 9, 2005, the Circuit Court entered judgment against plaintiffs and in favor of the City and Attorney General, holding that the TIF Act was not unconstitutional as alleged by plaintiffs. The City then filed a motion for summary judgment, requesting the Court enter judgment against all remaining claims of invalidity of the Plan and Ordinances. On January 19, 2006, the Circuit Court entered judgment against plaintiffs and in favor of the City upholding the validity of the Plan and Ordinances as against the challenges brought by the plaintiffs. On February 17, 2006, the City filed a motion to amend the judgment to include the payment by Plaintiffs of the City's attorneys' fees in defense of the action. On February 21, 2006, plaintiffs filed a motion before the Circuit Court requesting the Court reverse its January 19, 2006 judgment and permit a trial on the issues. A hearing is set for May 3, 2006 on these motions.

The case has the potential of adversely affecting the validity of all of the City's pending TIF projects, as well as all TIF projects currently pending throughout the State of Missouri, if the Circuit Court or the Missouri Supreme Court on an appeal holds the TIF Act to be unconstitutional. The case also has the potential of adversely affecting the validity of the City's Plan if the Circuit Court or a Missouri appellate court holds the City's Plan or Ordinances are invalid. Plaintiffs have not requested any affirmative relief other than attorneys' fees and costs, however, an adverse outcome in the case could require the refunding to affected taxing districts of all or part TIF funds collected by and deposited into the City's special allocation funds. Given the complexity of the matters raised in the petition, counsel for the City is unable at this time to determine the likelihood of any outcome or the financial impact, if any, to the City in the case of any adverse outcome.

A lawsuit captioned Great Rivers Habitat Alliance, et al., v. United States Army Corps of Engineers, et al., was filed on or about September 27, 2005 by Great Rivers Habitat Alliance; the City of O'Fallon, Missouri; the Missouri Coalition for the Environment and other interested parties against the United States Army Corps of Engineers, challenging the Corps of Engineers' issuance of a Clean Water Act Section 404 permit to the City in connection with its plans to construct a 500 year levee to flood protect about 1600 acres of City property. The City filed a Motion to Intervene in the action as a party defendant, and the motion was granted. Plaintiff sought both temporary and permanent injunctive relief, including a temporary restraining order. After a hearing on plaintiff's request for a temporary restraining order, Plaintiff's request was denied.

## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Basic Financial Statements (*Continued*)

The Court has ruled that the matter should be determined solely on the basis of the administrative record created by the Corps of Engineers in connection with the permit application process. A copy of the administrative record has been produced to Plaintiffs and the court by the Corps of Engineers. In response thereto, the Corps of Engineers and the City of St. Peters have filed their Motions for Summary Judgment which are presently pending before the court. The case is under submission and we are awaiting a ruling from the Court. At this time we are unable to calculate the likelihood of success on the pending motion for summary judgment.

The City is a defendant in a number of other lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of all of these legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

#### **Federal Grants**

Under the terms of Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

#### **Commitments**

The City has entered into construction and other contracts amounting to approximately \$20.3 million at September 30, 2005.

### **15. Prior Period Adjustment**

The "other adjustments" column in Note 4 for governmental activities represents a prior period adjustment of \$2,796,636 for land additions and construction in progress (CIP) incurred prior to October 1, 2004 related to 2004 CIP that was inadvertently omitted.

Additionally, there was a prior period adjustment made in the amount of \$2,169,874 to beginning net assets. This adjustment is a result of a change in reporting of the Natatorium Foundation, a component of the City. In the prior year, the Foundation was blended as a nonmajor special revenue fund. Per review of this component unit, it was determined that the correct reporting treatment of this entity is as a discretely presented component unit. Therefore, the Foundation was removed from the fund statements and beginning net assets of the government-wide financial statements were reduced accordingly.

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**Required Supplementary Information**

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# CITY OF ST. PETERS, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON INFORMATION BUDGET BASIS - GENERAL FUND For The Year Ended September 30, 2005

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Revised Final Budget		
<b>Revenues</b>				
Sales tax	\$ 11,300,000	\$ 11,500,000	\$ 11,350,867	\$ (149,133)
Property tax	5,356,500	5,441,500	5,450,772	9,272
Utility franchise tax	2,865,000	2,865,000	3,070,706	205,706
Cigarette tax	175,000	210,000	189,403	(20,597)
Licenses and permits	1,145,000	1,188,000	1,312,320	124,320
Interest	100,000	100,000	232,437	132,437
Intergovernmental	3,293,000	3,300,200	3,291,876	(8,324)
Fines and forfeitures	1,384,000	1,375,200	1,504,269	129,069
Charges for services	242,700	282,700	314,741	32,041
Miscellaneous	212,000	212,000	339,737	127,737
<b>Total Revenues</b>	<b>26,073,200</b>	<b>26,474,600</b>	<b>27,057,128</b>	<b>582,528</b>
<b>Expenditures</b>				
General government	1,163,900	1,283,900	1,489,648	(205,748)
Administration	5,458,050	5,491,050	4,952,480	538,570
Police	9,522,400	9,374,400	8,983,754	390,646
Municipal court	323,600	383,200	353,571	29,629
Public works	2,623,600	2,796,600	2,527,900	268,700
Engineering	2,390,760	2,256,760	2,049,084	207,676
Maintenance	826,280	790,280	708,404	81,876
Health	647,150	647,150	561,370	85,780
Parks and recreation	4,243,600	4,344,050	4,086,085	257,965
Community relations	933,850	933,850	803,433	130,417
Community and arts	254,750	254,750	212,957	41,793
<b>Total Expenditures</b>	<b>28,387,940</b>	<b>28,555,990</b>	<b>26,728,686</b>	<b>1,827,304</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(2,314,740)</b>	<b>(2,081,390)</b>	<b>328,442</b>	<b>2,409,832</b>
<b>Other Financing Uses</b>				
Transfers out	(221,000)	(221,000)	(2,406,132)	(2,185,132)
<b>Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses</b>	<b>(2,535,740)</b>	<b>(2,302,390)</b>	<b>(2,077,690)</b>	<b>224,700</b>
<b>Fund Balances</b>				
Budget basis:				
Unreserved:				
Beginning of year	4,782,319	4,782,319	4,782,319	—
Transfer from (to) reserved	(131,000)	49,450	2,108,405	2,058,955
<b>End of year</b>	<b>2,115,579</b>	<b>2,529,379</b>	<b>4,813,034</b>	<b>2,283,655</b>
Reserved:				
Beginning of year	3,518,542	3,518,542	3,518,542	—
Transfer from (to) unreserved	131,000	(49,450)	(2,108,405)	(2,058,955)
<b>End of year</b>	<b>3,649,542</b>	<b>3,469,092</b>	<b>1,410,137</b>	<b>(2,058,955)</b>
 Budget basis, end of year	 <u>\$ 5,765,121</u>	 <u>\$ 5,998,471</u>	 6,223,171	 <u>\$ 224,700</u>
Encumbrances, end of year			465,563	
Property tax - deferred revenue, end of year			(97,553)	
 GAAP basis, end of year			 <u>\$ 6,591,181</u>	

**CITY OF ST. PETERS, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON INFORMATION  
BUDGET BASIS - TRANSPORTATION TRUST FUND  
For The Year Ended September 30, 2005**

	<u>Budgeted Amounts</u>			<b>Variance With Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Revised</b>	<b>Actual</b>	
	<b>Budget</b>	<b>Final Budget</b>		
<b>Revenues</b>				
Sales tax	\$ 5,650,000	\$ 5,750,000	\$ 5,675,422	\$ (74,578)
Interest	75,000	75,000	163,578	88,578
Intergovernmental	4,565,500	4,364,255	4,724,333	360,078
Miscellaneous	137,600	71,000	201,344	130,344
<b>Total Revenues</b>	<b>10,428,100</b>	<b>10,260,255</b>	<b>10,764,677</b>	<b>504,422</b>
<b>Expenditures</b>				
Public works	3,834,570	4,051,070	3,503,715	547,355
Street construction	9,616,415	9,518,710	6,984,721	2,533,989
Debt service	250,000	—	—	—
<b>Total Expenditures</b>	<b>13,700,985</b>	<b>13,569,780</b>	<b>10,488,436</b>	<b>3,081,344</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(3,272,885)</b>	<b>(3,309,525)</b>	<b>276,241</b>	<b>3,585,766</b>
<b>Fund Balances</b>				
Budget basis:				
Unreserved:				
Beginning of year	5,395,043	5,395,043	5,395,043	—
End of year	2,122,158	2,085,518	5,671,284	3,585,766
Budget basis, end of year	<u>\$ 2,122,158</u>	<u>\$ 2,085,518</u>	5,671,284	<u>\$ 3,585,766</u>
Budget basis grant revenue			(3,106,913)	
Encumbrances, end of year			<u>4,750,340</u>	
GAAP basis, end of year			<u>\$ 7,314,711</u>	



# CITY OF ST. PETERS, MISSOURI

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## NOTES TO BUDGETARY COMPARISON INFORMATION

September 30, 2005

### Budgetary Process

The Board of Aldermen follow the procedures outlined below in establishing the budgetary data reflected in the financial statements:

1. On or before August 1, the City Administrator submits to the Mayor and Board of Aldermen a proposed operating budget for the general, special revenue, and debt service funds for the fiscal year commencing the following October 1. In addition, budgets for the waterworks/sanitary sewer, solid waste, and central materials processing facility enterprise fund operations are prepared on a basis similar to that of the general governmental funds in order to better manage these operations. The operating budgets include proposed expenditures and the means of financing them. Expenditures may not legally exceed appropriations at the fund level.
2. The annual operating budgets are approved through the adoption of the budget ordinance by the affirmative vote of a majority of the members of the Board of Aldermen and approval by the Mayor on or before September 1 of the preceding budget year. If the budgets have not been passed and approved on or before the last day preceding the budget year (September 30), the budgets and appropriations for the current fiscal year shall be deemed to be rebudgeted and reappropriated for the budget year until a new budget is adopted and approved.
3. The City Administrator is authorized to transfer part, or all, of any unexpended balance among any departments within a given fund.
4. If it is determined that the original budgeted revenues and expenditures need to be increased or decreased, the Board of Aldermen may, by ordinance, make such changes in budgeted revenues and expenditures so long as the total budgeted expenditures do not exceed the amount of budgeted revenues plus beginning unencumbered fund balance. The amount of such supplemental appropriations for the year was not significant.
5. If it appears probable that revenues available will be insufficient to meet the amount appropriated, the Board of Aldermen may, by ordinance, reduce one or more appropriations.
6. Unencumbered appropriations lapse at year-end.

## **CITY OF ST. PETERS, MISSOURI**

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### Notes To Budgetary Comparison Information *(Continued)*

The budgets for the general fund, the special revenue funds, and debt service funds are adopted on a basis which is consistent with accounting principles (GAAP) generally accepted in the United States of America, except for the following:

- For GAAP purposes, expenditures are recognized primarily as incurred, whereas the City's budget basis recognizes encumbrances outstanding at year-end as expenditures of the current period. Accordingly, expenditures on a budget basis for the general fund are more than expenditures in the fund financial statements by \$83,383 and more than expenditures in the fund financial statements by \$2,814,855 for the transportation trust fund.
- In the special revenue funds, certain non-exchange intergovernmental revenue is recognized differently for GAAP and budget basis purposes due to the related recognition of reimbursable expenditures discussed above.
- Property tax revenue is recognized in the period for which it is levied, to the extent it is collected within the current period or expected to be collected within 60 days following the end of the fiscal period on a GAAP basis. Property tax revenue not received at year-end is recorded as deferred revenue. Property tax revenue is recognized on a budget basis at the point in time that the tax is levied. Accordingly, property tax revenues in the budgetary comparisons (budget basis) for the general fund is less than the corresponding revenues in the fund financial statements by \$18,798. The Debt Service Fund's property tax revenues on a budget basis were \$6,463 less than the corresponding revenues in the fund financial statements.

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**Supplementary Information**

**Combining And Individual Fund  
Financial Statements And Schedules**

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**Nonmajor Governmental Funds  
Special Revenue Funds**

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Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

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Drug Enforcement Agency Fund - Used to account for Federal grant proceeds and other revenues restricted for drug-related law enforcement purposes.

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Recreation Fund - Used to account for revenues restricted for recreation purposes.

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Sewer Lateral Repair Program Fund - Used to account for money received from assessments on all residential property with six or less dwelling units. This money is used to repair defective lateral sewer service lines.

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Special Allocation Fund - City Centre - Used to account for revenues generated by the City Centre TIF district for the payment of debt service and other TIF related expenditures.

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Special Allocation Fund - Old Town - Used to account for revenues generated by the Old Town Levy TIF district.

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Special Allocation Fund - Lakeside Redevelopment Fund - Used to account for revenues generated by the Lakeside Redevelopment TIF district for the payment of debt service and other TIF related expenditures.

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Community Development Block Grant Fund - Used to account for federal grant proceeds that provides assistance to low and moderate income persons.

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Local Parks And Stormwater Fund - Used to account for one-tenth sales tax revenue and grant proceeds to be used for park and stormwater projects.

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Post Employment Benefits Fund - Used to account for City and employee contributions on behalf of retired employees and spouses for health and/or dental insurance premiums.

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# CITY OF ST. PETERS, MISSOURI

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2005

	Drug Enforcement Agency Fund	Recreation Fund	Sewer Lateral Repair Program Fund	Special Allocation Funds			Community Development Block Grant Fund	Local Parks And Stormwater Fund	Post Employment Benefits Fund	Total
				City Centre	Old Town	Lakeside Redevelopment				
<b>Assets</b>										
Cash and cash equivalents - unrestricted	\$ 119,521	\$ 800,396	\$ 714,329	\$ 3,143,399	\$ 1,934,350	\$ 26,251	\$ —	\$ 263,784	\$ 2,330,184	\$ 9,332,214
Receivables, net of allowances:										
Taxes	—	—	—	—	—	—	—	107,564	—	107,564
Intergovernmental	—	—	—	—	—	—	29,040	—	—	29,040
Accrued Interest	—	—	1,175	—	—	—	—	—	5,595	6,770
Other	—	41,530	5,488	15,022	7,720	—	100	232,435	857	303,152
Long-term receivables	—	—	—	—	—	—	727,514	—	—	727,514
Inventory/prepays	—	22,082	—	—	—	—	—	—	2,342	24,424
<b>Total Assets</b>	<b>\$ 119,521</b>	<b>\$ 864,008</b>	<b>\$ 720,992</b>	<b>\$ 3,158,421</b>	<b>\$ 1,942,070</b>	<b>\$ 26,251</b>	<b>\$ 756,654</b>	<b>\$ 603,783</b>	<b>\$ 2,338,978</b>	<b>\$ 10,530,678</b>
<b>Liabilities And Fund Balances</b>										
<b>Liabilities</b>										
Accounts payable	\$ —	\$ 52,382	\$ 10,538	\$ —	\$ —	\$ —	\$ 6,834	\$ 926	\$ —	\$ 70,680
Accrued liabilities	—	32,654	—	—	—	—	87	—	—	32,741
Deposits/guarantee bonds	—	118,102	6,000	—	—	—	—	—	—	124,102
Due to other funds	—	71,546	—	—	—	—	22,206	—	—	93,752
Deferred revenue	—	159,059	—	—	—	—	—	—	2,952	162,011
Other liabilities	—	362	—	—	—	—	—	—	—	362
<b>Total Liabilities</b>	<b>—</b>	<b>434,105</b>	<b>16,538</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>29,127</b>	<b>926</b>	<b>2,952</b>	<b>483,648</b>
<b>Fund Balances</b>										
Reserved for encumbrances	551	30,875	—	—	—	—	—	83,451	—	114,877
Reserved for capital improvements	—	157,945	—	—	—	—	—	315,000	—	472,945
Reserved for inventory/prepays	—	22,082	—	—	—	—	—	—	2,342	24,424
Reserved for long-term loans	—	—	—	—	—	—	727,514	—	—	727,514
Unreserved - undesignated	118,970	219,001	704,454	3,158,421	1,942,070	26,251	13	204,406	2,333,684	8,707,270
<b>Total Fund Balances</b>	<b>119,521</b>	<b>429,903</b>	<b>704,454</b>	<b>3,158,421</b>	<b>1,942,070</b>	<b>26,251</b>	<b>727,527</b>	<b>602,857</b>	<b>2,336,026</b>	<b>10,047,030</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 119,521</b>	<b>\$ 864,008</b>	<b>\$ 720,992</b>	<b>\$ 3,158,421</b>	<b>\$ 1,942,070</b>	<b>\$ 26,251</b>	<b>\$ 756,654</b>	<b>\$ 603,783</b>	<b>\$ 2,338,978</b>	<b>\$ 10,530,678</b>

# CITY OF ST. PETERS, MISSOURI

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended September 30, 2005

				Sewer Lateral			Community Development Block Grant Fund	Local Parks And Stormwater Fund	Post Employment Benefits Fund	Total
	Drug Enforcement Agency	Recreation Fund	Repair Program Fund	Special Allocation Funds						
				City Centre	Old Town	Lakeside Redevelopment				
<b>Revenues</b>										
Sales tax	\$ —	\$ —	\$ —	\$ 2,007,070	\$ 408,710	\$ 6,333	\$ —	\$ 1,120,689	\$ —	\$ 3,542,802
Property tax	—	—	—	2,206,100	312,643	23,856	—	—	—	2,542,599
Utility franchise tax	—	—	—	2,987	—	—	—	—	—	2,987
Interest	3,571	22,132	18,612	89,967	46,497	776	—	13,554	62,091	257,200
Intergovernmental	—	—	—	—	—	—	256,369	—	—	256,369
Charges for services	—	3,300,576	494,432	—	—	—	—	—	—	3,795,008
Miscellaneous	—	150,504	—	—	—	—	100	1,040	68,694	220,338
<b>Total Revenues</b>	<b>3,571</b>	<b>3,473,212</b>	<b>513,044</b>	<b>4,306,124</b>	<b>767,850</b>	<b>30,965</b>	<b>256,469</b>	<b>1,135,283</b>	<b>130,785</b>	<b>\$ 10,617,303</b>
<b>Expenditures</b>										
General government	—	—	—	945,322	134,089	3,523	51,264	—	272,391	1,406,589
Public safety	7,577	—	—	—	—	—	—	—	—	7,577
Public works	—	—	172,589	—	3,445	—	—	432,854	—	608,888
Parks and recreation	—	3,581,263	—	—	—	—	—	919,267	—	4,500,530
Capital outlay	—	—	—	—	—	—	2,098	—	—	2,098
Debt service	—	—	—	1,983,473	—	25,000	—	—	—	2,008,473
<b>Total Expenditures</b>	<b>7,577</b>	<b>3,581,263</b>	<b>172,589</b>	<b>2,928,795</b>	<b>137,534</b>	<b>28,523</b>	<b>53,362</b>	<b>1,352,121</b>	<b>272,391</b>	<b>8,534,155</b>
<b>Revenues Over (Under)</b>										
<b>Expenditures</b>	(4,006)	(108,051)	340,455	1,377,329	630,316	2,442	203,107	(216,838)	(141,606)	2,083,148
<b>Other Financing Sources</b>										
Operating transfers in (out)	—	(10,500)	—	—	—	—	—	—	2,477,632	2,467,132
<b>Revenues And Other Financing Sources Over (Under)</b>										
<b>Expenditures</b>	(4,006)	(118,551)	340,455	1,377,329	630,316	2,442	203,107	(216,838)	2,336,026	4,550,280
<b>Fund Balances</b>										
Beginning of year	123,527	548,454	363,999	1,781,092	1,311,754	23,809	524,420	819,695	—	5,496,750
End of year	\$ 119,521	\$ 429,903	\$ 704,454	\$ 3,158,421	\$ 1,942,070	\$ 26,251	\$ 727,527	\$ 602,857	\$ 2,336,026	\$ 10,047,030

# CITY OF ST. PETERS, MISSOURI

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - BUDGETED NONMAJOR GOVERNMENTAL FUNDS

Page 1 Of 3  
For The Year Ended September 30, 2005

	Drug Enforcement Agency Fund			Recreation Fund			Sewer Lateral Repair Program Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<b>Revenues</b>									
Interest	\$ —	\$ 3,571	\$ 3,571	\$ 8,000	\$ 22,132	\$ 14,132	\$ —	\$ 18,612	\$ 18,612
Charges for services	—	—	—	3,402,950	3,300,576	(102,374)	465,000	494,432	29,432
Miscellaneous	—	—	—	163,000	150,504	(12,496)	—	—	—
<b>Total Revenues</b>	<b>—</b>	<b>3,571</b>	<b>3,571</b>	<b>3,573,950</b>	<b>3,473,212</b>	<b>(100,738)</b>	<b>465,000</b>	<b>513,044</b>	<b>48,044</b>
<b>Expenditures</b>									
Public safety	25,000	8,128	16,872	—	—	—	—	—	—
Public works	—	—	—	—	—	—	828,999	172,589	656,410
Parks and recreation	—	—	—	3,810,400	3,538,403	271,997	—	—	—
<b>Total Expenditures</b>	<b>25,000</b>	<b>8,128</b>	<b>16,872</b>	<b>3,810,400</b>	<b>3,538,403</b>	<b>271,997</b>	<b>828,999</b>	<b>172,589</b>	<b>656,410</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(25,000)</b>	<b>(4,557)</b>	<b>20,443</b>	<b>(236,450)</b>	<b>(65,191)</b>	<b>171,259</b>	<b>(363,999)</b>	<b>340,455</b>	<b>704,454</b>
<b>Other Financing Sources (Uses)</b>									
Transfers out	—	—	—	(10,500)	(10,500)	—	—	—	—
<b>Revenues And Other Financing Sources Over (Under) Expenditures</b>	<b>(25,000)</b>	<b>(4,557)</b>	<b>20,443</b>	<b>(246,950)</b>	<b>(75,691)</b>	<b>171,259</b>	<b>(363,999)</b>	<b>340,455</b>	<b>704,454</b>
<b>Fund Balances</b>									
Budget basis:									
Unreserved:									
Beginning of year	123,527	123,527	—	329,411	329,411	—	363,999	363,999	—
Transfers from (to) reserved	—	—	—	—	(12,638)	(12,638)	—	—	—
End of year	98,527	118,970	20,443	82,461	241,082	158,621	—	704,454	704,454
Reserved:									
Beginning of year	—	—	—	145,308	145,308	—	—	—	—
Transfers from (to) unreserved	—	—	—	—	12,638	12,638	—	—	—
End of year	—	—	—	145,308	157,946	12,638	—	—	—
Budget basis, end of year	<u>\$ 98,527</u>	<u>118,970</u>	<u>\$ 20,443</u>	<u>\$ 227,769</u>	<u>399,028</u>	<u>\$ 171,259</u>	<u>\$ —</u>	<u>704,454</u>	<u>\$ 704,454</u>
Encumbrances, end of year		551			30,875			—	
GAAP basis, end of year		<u>\$ 119,521</u>			<u>\$ 429,903</u>			<u>\$ 704,454</u>	

(Continued)

**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - BUDGET BASIS - BUDGETED NONMAJOR GOVERNMENTAL FUNDS**

Page 2 Of 3

For The Year Ended September 30, 2005

	Special Allocation Fund - City Centre			Special Allocation Fund - Old Town			Special Allocation Fund - Lakeside Redevelopment		
	Revised		Variance With	Revised		Variance With	Revised		Variance With
	Final	Actual	Final Budget -	Final	Actual	Final Budget -	Final	Actual	Final Budget -
	Budget		Positive (Negative)	Budget		Positive (Negative)	Budget		Positive (Negative)
<b>Revenues</b>									
Sales tax	\$ 2,253,500	\$ 2,007,070	\$ (246,430)	\$ 275,000	\$ 408,710	\$ 133,710	\$ 6,000	\$ 6,333	\$ 333
Property tax	1,960,900	2,206,100	245,200	248,000	312,643	64,643	21,500	23,856	2,356
Utility franchise tax	—	2,987	2,987	—	—	—	—	—	—
Interest	10,000	89,967	79,967	2,000	46,497	44,497	—	776	776
<b>Total Revenues</b>	<b>4,224,400</b>	<b>4,306,124</b>	<b>81,724</b>	<b>525,000</b>	<b>767,850</b>	<b>242,850</b>	<b>27,500</b>	<b>30,965</b>	<b>3,465</b>
<b>Expenditures</b>									
General government	945,194	945,322	(128)	137,172	134,089	3,083	5,515	3,523	1,992
Debt service	2,113,000	1,983,473	129,527	—	—	—	25,000	25,000	—
<b>Total Expenditures</b>	<b>3,058,194</b>	<b>2,928,795</b>	<b>129,399</b>	<b>137,172</b>	<b>134,089</b>	<b>3,083</b>	<b>30,515</b>	<b>28,523</b>	<b>1,992</b>
<b>Revenues Over (Under) Expenditures</b>	<b>1,166,206</b>	<b>1,377,329</b>	<b>211,123</b>	<b>387,828</b>	<b>633,761</b>	<b>245,933</b>	<b>(3,015)</b>	<b>2,442</b>	<b>5,457</b>
<b>Fund Balances</b>									
Budget basis:									
Unreserved:									
Beginning of year	709,012	709,012	—	1,308,309	1,308,309	—	23,809	23,809	—
Transfers (to) from reserved	(276,000)	(267,799)	8,201	—	—	—	—	—	—
End of year	1,599,218	1,818,542	219,324	1,696,137	1,942,070	245,933	20,794	26,251	5,457
Reserved:									
Beginning of year	1,072,080	1,072,080	—	—	—	—	—	—	—
Transfers (to) from unreserved	276,000	267,799	(8,201)	—	—	—	—	—	—
End of year	1,348,080	1,339,879	(8,201)	—	—	—	—	—	—
Budget basis, end of year	<u>\$ 2,947,298</u>	<u>3,158,421</u>	<u>\$ 211,123</u>	<u>\$ 1,696,137</u>	<u>1,942,070</u>	<u>\$ 245,933</u>	<u>\$ 20,794</u>	<u>26,251</u>	<u>\$ 5,457</u>
Encumbrances, end of year	—	—	—	—	—	—	—	—	—
GAAP basis, end of year		<u>\$ 3,158,421</u>			<u>\$ 1,942,070</u>			<u>\$ 26,251</u>	

(Continued)



# CITY OF ST. PETERS, MISSOURI

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - BUDGETED NONMAJOR GOVERNMENTAL FUNDS

Page 3 Of 3

For The Year Ended September 30, 2005

	Community Development Block Grant Fund			Local Parks And Storm Water Fund			Post-Employment Benefits Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<b>Revenues</b>									
Sales tax	\$ —	\$ —	\$ —	\$ 1,150,000	\$ 1,120,689	\$ (29,311)	\$ —	\$ —	\$ —
Interest	—	—	—	10,000	13,554	3,554	60,000	62,091	2,091
Intergovernmental	464,300	256,369	(207,931)	—	—	—	—	—	—
Charges for services	—	44,606	44,606	—	—	—	—	—	—
Miscellaneous	—	100	100	5,000	1,040	(3,960)	75,000	68,694	(6,306)
<b>Total Revenues</b>	<b>464,300</b>	<b>301,075</b>	<b>(163,225)</b>	<b>1,165,000</b>	<b>1,135,283</b>	<b>(29,717)</b>	<b>135,000</b>	<b>130,785</b>	<b>(4,215)</b>
<b>Expenditures</b>									
General government	424,705	303,611	121,094	—	—	—	297,000	272,391	24,609
Public works	44,242	2,098	42,144	637,592	424,663	212,929	—	—	—
Parks and recreation	—	—	—	922,050	888,152	33,898	—	—	—
Street construction	—	—	—	—	—	—	—	—	—
<b>Total Expenditures</b>	<b>468,947</b>	<b>305,709</b>	<b>163,238</b>	<b>1,559,642</b>	<b>1,312,815</b>	<b>246,827</b>	<b>297,000</b>	<b>272,391</b>	<b>24,609</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(4,647)</b>	<b>(4,634)</b>	<b>13</b>	<b>(394,642)</b>	<b>(177,532)</b>	<b>217,110</b>	<b>(162,000)</b>	<b>(141,606)</b>	<b>20,394</b>
<b>Other Financing Sources</b>									
Transfers in	—	—	—	—	—	—	2,477,632	2,477,632	—
<b>Revenues And Other Financing Sources Over Expenditures</b>	<b>(4,647)</b>	<b>(4,634)</b>	<b>13</b>	<b>(394,642)</b>	<b>(177,532)</b>	<b>217,110</b>	<b>2,315,632</b>	<b>2,336,026</b>	<b>20,394</b>
<b>Fund Balances</b>									
Budget basis:									
Unreserved:									
Beginning of year	4,647	4,647	—	399,642	399,642	—	—	—	—
Transfers from (to) reserved	—	—	—	(5,000)	(5,000)	—	—	—	—
End of year	—	13	13	—	217,110	217,110	2,315,632	2,336,026	20,394
Reserved:									
Beginning of year	—	—	—	310,000	310,000	—	—	—	—
Transfers from (to) unreserved	—	—	—	5,000	5,000	—	—	—	—
End of year	—	—	—	315,000	315,000	—	—	—	—
Budget basis, end of year	<u>\$ —</u>	<u>13</u>	<u>\$ 13</u>	<u>\$ 315,000</u>	<u>532,110</u>	<u>\$ 217,110</u>	<u>\$ 2,315,632</u>	<u>2,336,026</u>	<u>\$ 20,394</u>
Budget basis grant income					(12,704)				
GAAP basis long term receivables		727,514							
Encumbrances, end of year		—			83,451				
<b>GAAP basis, end of year</b>		<u><b>\$ 727,527</b></u>			<u><b>\$ 602,857</b></u>		<u><b>\$ 2,336,026</b></u>		

**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS -  
DEBT SERVICE FUND**

**For The Year Ended September 30, 2005**

	<b>Revised Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Property tax	\$ 2,236,200	\$ 2,274,351	\$ 38,151
Interest	40,000	95,531	55,531
Miscellaneous	—	30,621	30,621
<b>Total Revenues</b>	<b>2,276,200</b>	<b>2,400,503</b>	<b>124,303</b>
<b>Expenditures</b>			
Debt service	1,633,000	1,594,059	38,941
<b>Revenues Over (Under) Expenditures</b>	<b>643,200</b>	<b>806,444</b>	<b>163,244</b>
<b>Fund Balances</b>			
Budget basis:			
Unreserved:			
Beginning of year	2,091,577	2,091,577	—
End of year	2,734,777	2,898,021	163,244
Budget basis, end of year	<u>\$ 2,734,777</u>	2,898,021	<u>\$ 163,244</u>
Property tax - deferred revenue, end of year		(50,281)	
GAAP basis, end of year		<u>\$ 2,847,740</u>	

**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF REVENUES, EXPENSES - BUDGET AND ACTUAL -  
BUDGET BASIS - ENTERPRISE FUND -  
WATERWORKS/SANITARY SEWER FUND -  
(UTILITY OPERATING FUND)  
For The Year Ended September 30, 2005**

	<b>Revised Final Budget</b>	<b>Actual*</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Water and sewer	\$ 6,417,500	\$ 6,616,768	\$ 199,268
Interest	7,500	75,597	68,097
Miscellaneous	1,130,500	1,219,549	89,049
<b>Total Revenues</b>	<b>7,555,500</b>	<b>7,911,914</b>	<b>356,414</b>
<b>Expenses</b>			
Personnel costs	2,900,270	2,645,255	255,015
Utilities	461,650	426,588	35,062
Purchased water	537,000	519,341	17,659
Wastewater treatment costs	90,000	109,690	(19,690)
Repairs and maintenance	614,530	639,746	(25,216)
Professional services	592,300	495,284	97,016
Gas and fuel	47,500	59,497	(11,997)
Rent	27,400	5,647	21,753
Supplies and other expenses	473,100	553,318	(80,218)
<b>Total Expenses</b>	<b>5,743,750</b>	<b>5,454,366</b>	<b>289,384</b>
<b>Net Revenues Before Capital Expenditures And Debt Service And Fees</b>	<b>1,811,750</b>	<b>2,457,548</b>	<b>645,798</b>
<b>Capital Expenditures</b>	<b>219,150</b>	<b>195,625</b>	<b>23,525</b>
<b>Debt Service And Fees</b>	<b>1,580,000</b>	<b>1,568,800</b>	<b>11,200</b>
<b>Revenues Over Expenses</b>	<b>\$ 12,600</b>	<b>\$ 693,123</b>	<b>\$ 680,523</b>

\* The City adopts a separate budget for the utility operating fund (part of the waterworks/sanitary sewer enterprise fund). Actual amounts presented above include amounts encumbered at year end which are treated as expenditures for purposes of the budget to actual comparison. Additionally, capital expenditures and bond principal payments are recognized as expenses for budget purposes.

**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -  
BUDGET BASIS - ENTERPRISE FUND - SOLID WASTE FUND  
For The Year Ended September 30, 2005**

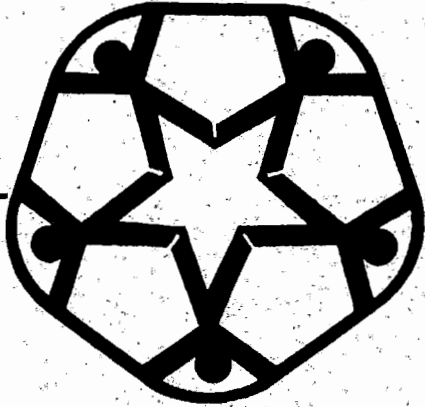
	<b>Revised Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Trash collection	\$ 3,370,600	\$ 3,534,369	\$ 163,769
Miscellaneous	100,000	124,696	24,696
Interest	—	1,460	1,460
<b>Total Revenues</b>	<b>3,470,600</b>	<b>3,660,525</b>	<b>189,925</b>
<b>Expenses</b>			
Personnel costs	1,556,020	1,610,080	(54,060)
Utilities	15,400	13,055	2,345
Landfill fees	925,100	848,453	76,647
Repairs and maintenance	252,100	350,475	(98,375)
Capital expenditures	432,900	247,340	185,560
Professional services	24,180	19,365	4,815
Gas and fuel	91,000	129,794	(38,794)
Rent	5,300	319	4,981
Other expenses	224,500	184,014	40,486
<b>Total Expenses</b>	<b>3,526,500</b>	<b>3,402,895</b>	<b>123,605</b>
<b>Revenues Over (Under) Expenses</b>	<b>\$ (55,900)</b>	<b>\$ 257,630</b>	<b>\$ 313,530</b>

**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -  
BUDGET BASIS - ENTERPRISE FUND -  
CENTRAL MATERIALS PROCESSING FACILITY FUND  
For The Year Ended September 30, 2005**

	<b>Revised Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Tipping fees	\$ 1,929,000	\$ 1,423,139	\$ (505,861)
Recycling fees	521,150	526,057	4,907
Sales of recyclables	950,000	1,080,723	130,723
Earth Centre	200,000	194,345	(5,655)
Interest	3,000	23,071	20,071
Miscellaneous	46,000	17,487	(28,513)
<b>Total Revenues</b>	<b>3,649,150</b>	<b>3,264,822</b>	<b>(384,328)</b>
<b>Expenses</b>			
Personnel costs	1,512,940	1,388,948	123,992
Landfill fees	1,410,100	1,017,348	392,752
Utilities	73,100	60,428	12,672
Capital expenditures	93,500	17,511	75,989
Professional services	16,180	61,862	(45,682)
Repairs and maintenance	97,220	151,536	(54,316)
Gas and fuel	19,000	36,661	(17,661)
Supplies and other expense	292,060	320,300	(28,240)
<b>Total Expenses</b>	<b>3,514,100</b>	<b>3,054,594</b>	<b>459,506</b>
<b>Revenues Over Expenses</b>	<b>\$ 135,050</b>	<b>\$ 210,228</b>	<b>\$ 75,178</b>

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## **Part III - Statistical Section**

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Table 1

**CITY OF ST. PETERS, MISSOURI**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION-BUDGET BASIS (1)**  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands)**

<b>FUNCTION</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
General Government	\$3,148	\$2,402	\$1,831	\$1,444	\$2,888	\$1,739	\$898	\$640	\$594	\$848
Administration	4,952	4,926	4,828	5,023	4,837	4,373	4,361	3,704	3,500	3,643
Police	8,992	8,465	8,251	8,276	8,076	7,338	6,354	5,142	4,922	4,073
Municipal Court	354	324	294	263	245	217	196	175	124	135
Public Works	6,631	5,725	6,045	5,440	5,841	4,976	4,956	4,142	2,135	2,570
Engineering	2,049	2,126	1,912	1,906	1,815	1,662	1,750	1,409	1,421	1,370
Maintenance	708	728	750	713	706	660	671	709	668	658
Health	561	535	525	569	517	454	441	330	413	309
Parks and Recreation	8,513	8,158	7,829	7,492	7,502	7,608	7,876	5,550	5,468	4,707
Community Relations	803	703	782	746	730	767	618	415	404	374
Community and Arts Center	213	223	279	275	251	309	290	295	246	204
Street Construction	6,985	3,614	8,583	7,138	7,914	4,548	8,789	10,076	7,265	6,176
Debt Service	3,603	4,280	4,198	3,322	2,816	2,353	2,327	2,392	2,388	2,426
<b>Total</b>	<b>\$47,512</b>	<b>\$42,209</b>	<b>\$46,107</b>	<b>\$42,607</b>	<b>\$44,138</b>	<b>\$37,004</b>	<b>\$39,527</b>	<b>\$34,979</b>	<b>\$29,548</b>	<b>\$27,493</b>

(1) Includes general, special revenue, and debt service funds.



Table 2

**CITY OF ST. PETERS, MISSOURI**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE-BUDGET BASIS (1)**  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands)**

<b>SOURCE</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
Taxes	\$34,100	\$32,155	\$30,191	\$29,757	\$27,101	\$25,526	\$0	\$23,676	\$20,337	\$18,790
Licenses and Permits	1,312	1,167	845	1,030	926	643	476	389	376	402
Interest	749	261	307	388	1,056	1,302	1,468	2,239	1,618	1,647
Intergovernmental	8,273	5,163	7,895	6,501	5,763	4,872	3,845	4,792	4,300	4,801
Fines and Forfeitures	1,504	1,573	1,353	1,373	982	969	1,043	762	700	541
Charges for Services	4,656	4,334	3,527	3,499	3,294	3,396	3,487	3,525	3,014	2,610
Miscellaneous	790	886	1,781	2,343	829	1,006	370	283	218	377
Total	<u>\$51,384</u>	<u>\$45,539</u>	<u>\$45,899</u>	<u>\$44,891</u>	<u>\$39,951</u>	<u>\$37,714</u>	<u>\$10,689</u>	<u>\$35,666</u>	<u>\$30,563</u>	<u>\$29,168</u>

(1) Includes general, special revenue, and debt service funds.

Table 3

**CITY OF ST. PETERS, MISSOURI**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE-BUDGET BASIS (1)**  
**LAST TEN FISCAL YEARS**  
**(amounts expressed in thousands)**

<b>SOURCE</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
Sales Tax	\$20,569	\$19,699	\$18,753	\$18,799	\$16,589	\$15,798	\$14,216	\$13,789	\$12,935	\$11,750
Use Tax (2)	-	-	-	-	(9)	(10)	(170)	1,289	-	-
Property Tax	10,268	9,420	8,543	8,189	7,476	7,212	6,525	6,121	5,101	4,769
Utility Franchise Tax:										
Electric	1,783	1,654	1,656	1,691	1,630	1,643	1,602	1,580	1,428	1,445
Gas	885	803	719	553	894	500	447	505	522	479
Cablevision	406	366	318	319	307	161	149	139	127	122
Cigarette Tax	189	213	202	206	214	222	243	253	224	225
Total	<u>\$34,100</u>	<u>\$32,155</u>	<u>\$30,191</u>	<u>\$29,757</u>	<u>\$27,101</u>	<u>\$25,526</u>	<u>\$23,012</u>	<u>\$23,676</u>	<u>\$20,337</u>	<u>\$18,790</u>

(1) Includes general, special revenue, and debt service funds.

(2) Use tax revenue relates to a local use tax enacted at the State level that was held by the courts to be invalid for future years. The revenue recognized represents the non-refundable portion of the use tax collected by the City. The ability to collect use tax in future years is contingent on voter approval. No such proposition has been submitted to the voters at this time.

Table 4

**CITY OF ST. PETERS, MISSOURI**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
 (amounts expressed in thousands)

<b>FISCAL YEAR</b>	<b>TOTAL TAX LEVY</b>	<b>CURRENT TAX COLLECTIONS</b>	<b>PERCENTAGE OF CURRENT TAXES COLLECTED</b>	<b>DELINQUENT TAX COLLECTIONS</b>	<b>TOTAL TAX COLLECTIONS</b>	<b>RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY</b>	<b>OUTSTANDING DELINQUENT TAXES</b>	<b>RATIO OF OUTSTANDING DELINQUENT TAXES TO TOTAL TAX LEVY</b>
1996	4,536	4,455	98.21%	78	4,533	99.93%	151	3.33%
1997	4,755	4,696	98.76%	93	4,789	100.72%	117	2.46%
1998	5,452	5,366	98.42%	60	5,426	99.52%	143	2.62%
1999	5,571	5,494	98.62%	93	5,587	100.29%	127	2.28%
2000	6,106	6,032	98.79%	53	6,085	99.66%	148	2.42%
2001	6,111	6,010	98.35%	91	6,101	99.84%	157	2.57%
2002	6,620	6,506	98.28%	92	6,597	99.65%	179	2.70%
2003	6,793	6,649	97.88%	115	6,764	99.57%	208	3.06%
2004	7,239	7,122	98.38%	136	7,258	100.26%	189	2.61%
2005	7,361	7,263	98.67%	121	7,384	100.31%	167	2.27%

Table 5

**CITY OF ST. PETERS, MISSOURI**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY(1)**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1996	\$ 385,235,344	\$ 1,718,572,159	\$ 99,218,910	\$ 297,954,685	\$ 484,454,254	\$ 2,016,526,844	24.02%
1997	397,499,362	1,780,611,526	109,322,920	328,297,057	506,822,282	2,108,908,583	24.03%
1998	461,162,549	2,063,239,522	122,032,142	366,462,889	583,194,691	2,429,702,411	24.00%
1999	467,821,768	2,097,380,772	123,053,660	369,530,511	590,875,428	2,466,911,283	23.95%
2000	517,402,539	2,330,679,354	132,109,974	396,726,649	649,512,513	2,727,406,003	23.81%
2001	530,444,834	2,387,450,492	144,782,271	434,346,813	675,227,105	2,821,797,305	23.93%
2002	584,499,084	2,635,570,590	148,459,133	445,377,399	732,958,217	3,080,947,989	23.79%
2003	594,223,029	2,676,872,745	149,798,119	449,394,357	744,021,148	3,126,267,102	23.80%
2004	695,431,407	3,160,862,405	150,135,655	450,857,823	845,567,062	3,611,720,228	23.41%
2005	714,040,629	3,239,352,247	144,102,898	432,308,694	858,143,527	3,671,660,941	23.37%

(1) Property is subclassified for purposes of assessment as follows:  
 (i) commercial real property - 32% of true value, (ii) residential real property - 19% of true value, (iii) agricultural property - 12% of productivity value, and (iv) personal property - 33-1/3% of book value.

Source: Office of the St. Charles County Clerk.

Table 6

**CITY OF ST. PETERS, MISSOURI**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(Per \$100 of Assessed Valuation)**  
**Overlapping School Districts(1)**

Fiscal Year	Fort Zumwalt			St. Charles			Francis Howell			St. Charles County Community College		
	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total	Operating	Debt Service	Total
1996	\$3.2400	\$0.8600	\$4.1000	\$3.6100	\$0.4100	\$4.0200	\$4.2900	\$0.8900	\$5.1800	\$0.1300	\$0.1200	\$0.2500
1997	3.2100	0.8900	4.1000	3.6500	0.4100	4.0600	4.2900	0.8900	5.1800	0.1300	0.1200	0.2500
1998	3.6000	0.8900	4.4900	3.5200	0.4900	4.0100	4.0500	0.8900	4.9400	0.1300	0.1200	0.2500
1999	3.6200	0.9000	4.5200	3.8200	0.4500	4.2700	4.0000	0.9400	4.9400	0.1700	0.0800	0.2500
2000	3.4700	0.9000	4.3700	3.7200	0.5500	4.2700	3.9500	0.9400	4.8900	0.1700	0.0800	0.2500
2001	3.4700	0.9000	4.3700	3.7252	0.5448	4.2700	3.8900	0.9400	4.8300	0.1700	0.0800	0.2500
2002	3.3534	0.9000	4.2534	3.6086	0.6614	4.2700	3.7618	0.9313	4.6931	0.1673	0.0800	0.2473
2003	3.3538	0.9000	4.2538	3.4199	0.8501	4.2700	3.7607	0.9313	4.6920	0.1635	0.0800	0.2435
2004	3.5538	0.7000	4.2538	3.4052	1.1648	4.5700	3.7307	0.6713	4.4020	0.1518	0.0800	0.2318
2005	4.2538	0.7000	4.9538	3.4449	1.1251	4.5700	3.0431	1.9989	5.0420	0.1718	0.0600	0.2318

(1) The City is served by three school districts and the St. Charles County Community College District, which began operations in 1986. While all three school districts overlap the City, none of the school districts overlap another school district.

Source: Tax rates provided by respective school district.

**CITY OF ST. PETERS, MISSOURI**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(Per \$100 of Assessed Valuation)**

Fiscal Year	City of St. Peters			St. Charles County			School District(1)	Others(2)	Total
	Operating	Debt Service	Total	Operating	Debt Service	Total			
1996	\$ 0.6800	\$ 0.2500	\$ 0.9300	\$ 0.3000	\$ 0.0300	\$ 0.3300	\$ 5.4300	\$ 1.2400	\$ 7.9300
1997	0.6800	0.2500	0.9300	0.3000	0.0300	0.3300	5.4300	1.2400	7.9300
1998	0.6800	0.2500	0.9300	0.2900	0.0300	0.3200	5.1900	1.1900	7.6300
1999	0.6600	0.2700	0.9300	0.2800	0.0200	0.3000	5.1900	1.2400	7.6600
2000	0.6600	0.2700	0.9300	0.2600	0.0200	0.2800	5.1400	1.2300	7.5800
2001	0.6400	0.2600	0.9000	0.2600	0.0100	0.2700	5.0800	1.2300	7.4800
2002	0.6400	0.2600	0.9000	0.2480	0.0013	0.2493	4.9404	1.2951	7.3848
2003	0.6400	0.2600	0.9000	0.2475	-	0.2475	4.9355	1.3149	7.3979
2004	0.5890	0.2610	0.8500	0.2300	-	0.2300	4.8018	1.2184	7.1002
2005	0.5890	0.2610	0.8500	0.2290	-	0.2290	5.2738	1.2097	7.5625

- (1) The City is served by three school districts and the St. Charles County Community College District, which began operations in 1986. While all three school Districts overlap the City, none of the school districts overlap another school district. Accordingly, the tax rate for the School District represents the largest rate for a school district in any year plus the tax rate for the Community College.
- (2) Includes the tax rate for Central County Fire and Rescue, St. Charles County Ambulance District, Handicapped Facilities Board, St. Charles County Dispatch & Alarm Agency and St. Charles County Library District.
- (3) In addition to the tax rate shown, there is a \$.53 tax rate (surcharge) imposed on all Real Estate Sub-Class 3, Commercial properties located in St. Charles County.

Table 7

**CITY OF ST. PETERS, MISSOURI**  
**RATIO OF NET GENERAL OBLIGATION BONDED DEBT**  
**TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population(1)</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Fund</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
1996	49,000	\$ 484,454,254	\$ 24,600,000	\$ 898,658	\$ 23,701,342	4.89%	484
1997	49,500	506,822,282	24,270,000	1,138,767	23,131,233	4.56%	467
1998	50,300	583,194,691	23,240,000	1,202,106	22,037,894	3.78%	438
1999	50,850	590,875,428	22,435,000	970,755	21,464,245	3.63%	422
2000	51,381	649,512,513	31,205,000	1,381,538	29,823,462	4.59%	580
2001	53,000	675,227,105	29,995,000	1,719,317	28,275,683	4.19%	534
2002	55,000	732,958,217	30,905,000	1,865,237	29,039,763	3.96%	528
2003	55,000	744,021,148	29,250,000	1,860,174	27,389,826	3.68%	498
2004	55,000	845,567,062	28,080,000	2,034,833	26,045,167	3.08%	474
2005	55,000	858,143,527	49,146,000	2,847,740	46,298,260	5.40%	842

(1) Estimates made by the City.

**CITY OF ST. PETERS, MISSOURI**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES**  
**FOR GENERAL OBLIGATION BONDED DEBT**  
**TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
**LAST TEN FISCAL YEARS**  
**(AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year	Principal	Interest and Fees	Total Debt Service	Total General Governmental Expenditures (4)	Ratio of Debt Service to General Governmental Expenditures
1996	\$ 800	\$ 1,626	\$ 2,426	\$ 27,493	8.8%
1997	550	1,838 (1)	2,388	29,548	8.1%
1998	1,030	1,362	2,392	34,979	6.8%
1999	1,075	1,252 (2)	2,327	39,527	5.9%
2000	1,230	1,123	2,353	37,004	6.4%
2001	1,210	1,604	2,814	44,138	6.4%
2002	1,590	1,519	3,109	42,607	7.3%
2003	1,655	1,635	3,290	46,107	7.1%
2004	1,365	1,998 (3)	3,363	42,209	8.0%
2005	1,420	2,131	3,551	47,512	7.5%

(1) Includes \$ 581,000 contribution from bond reserves toward the refunding of the 1988 and 1989 general obligation bonds.

(2) Includes \$ 247,000 contribution from bond reserves toward the refunding of the 1993 general obligation bonds.

(3) Includes \$706,483 contribution toward the refunding of the 1999 general obligation bonds.

(4) Total General Governmental Expenditures are budget based.



**CITY OF ST. PETERS, MISSOURI**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**GENERAL OBLIGATION BONDS**  
**SEPTEMBER 30, 2005**

Jurisdiction	Net General Obligation Bonded Debt Outstanding(1)	Percentage Applicable to St. Peters(2)	Amount Applicable to St. Peters
Direct:			
City of St. Peters	\$49,146,000	100.00%	\$49,146,000
Overlapping:			
St. Charles County Ambulance District	\$12,615,000	16.21%	\$2,044,892
Central County Fire and Rescue	8,275,000	69.29%	5,733,748
St. Charles County Community College	48,010,000	16.30%	7,825,630
St. Charles School District	71,617,236	7.13%	5,106,309
Fort Zumwalt School District R-II	106,395,000	28.72%	30,556,644
Francis Howell School District	182,208,987	21.26%	38,737,631
Total Overlapping	\$429,121,223		\$90,004,853
Total Direct And Overlapping Bonded Debt	\$478,267,223		\$139,150,853

- (1) Outstanding bond amounts were provided by the respective taxing district and excludes \$4,387,000 of Neighborhood Improvement District Bonds which are a general obligation of St. Charles County but are to be paid by special assessments levied in the Neighborhood Improvement District.
- (2) Percentages were based on total assessment data provided by the respective taxing district and by the office of the St. Charles County Assessor.

Table 10

**CITY OF ST. PETERS, MISSOURI**  
**REVENUE BOND COVERAGE**  
**WATERWORKS/SANITARY SEWER FUND-BUDGET BASIS**  
**LAST TEN FISCAL YEARS**  
 (amounts expressed in thousands)

Fiscal Year	Gross Revenues	Operating Expenses(1)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest and Fees	Total	
1996	\$ 5,351	\$ 3,139	\$ 2,212	\$ 705	\$ 783	\$ 1,488	1.487
1997	5,714	3,760	1,954	790	740	1,530	1.277
1998	5,501	3,929	1,572	825	695	1,520	1.034
1999	5,834	4,242	1,592	865	645	1,510	1.054
2000	6,129	4,375	1,754	910	592	1,502	1.168
2001	6,588	4,929	1,659	985	532	1,517	1.094
2002	6,782	5,050	1,732	1,045	452	1,497	1.157
2003	6,934	4,854	2,080	1,240	248	1,488	1.398
2004	7,217	5,241	1,976	1,390	183	1,573	1.256
2004	7,912	5,454	2,458	1,445	124	1,569	1.567

(1) Represents total budget basis operating expenses less capital outlay.

**CITY OF ST. PETERS, MISSOURI  
PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2005**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2004 Assessed Value</u>	<u>Percentage of Total Assessed Valuation(1)</u>
Westfield America	Shopping Mall	\$22,518,300	2.62%
Reckitt & Benckiser	Chemicals	13,791,902	1.61%
Costco Wholesale Corp	Membership Department Store	6,604,419	0.77%
Turnberry Apartments LLC	Apartments	4,469,150	0.52%
94 Crossing LLC	Strip Mall	3,930,370	0.46%
SSM Properties Inc.	Health Care	3,600,380	0.42%
TKG St Peters Shopping Center LLC	Strip Mall	3,464,320	0.40%
May Co, Inc.	Department Store	3,172,390	0.37%
Wentzway Corp	Strip Mall	3,114,300	0.36%
Jungs Station Association	Apartments	3,069,080	0.36%

(1) Based on 2004 assessed valuation equal to \$858,143,527

Source: Office of the St. Charles County Assessor.

Table 12

**CITY OF ST. PETERS, MISSOURI  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population(1)</u>	<u>Per Capita Income(2)</u>	<u>Unemployment Rate(3)</u>
1996	49,000	\$ -	2.60%
1997	49,500	-	2.40%
1998	50,300	-	2.80%
1999	50,850	-	1.50%
2000	51,381	22,792	2.20%
2001	53,000	-	na
2002	55,000	-	na
2003	55,000	-	na
2004	55,000	-	na
2005	55,000	-	na

**School Enrollment Last Ten Years(4)**

<u>Year</u>	<u>Fort Zumwalt</u>	<u>St. Charles</u>	<u>Francis Howell</u>
1996	12,595	6,561	17,325
1997	13,720	6,587	18,240
1998	14,488	6,338	18,108
1999	16,000	6,205	18,831
2000	15,973	6,205	18,832
2001	16,526	6,190	18,831
2002	17,281	6,090	18,649
2003	18,063	5,876	18,389
2004	18,156	5,876	18,360
2005	18,496	5,881	18,336

- (1) All figures are estimates made by the City except for 2000 which is an official count from the United State Census Bureau.  
(2) Per capita income represents the periodic estimates made by the Bureau of Census.  
(3) All figures are estimates of the Missouri Division of Employment Security.  
(4) Data provided by the respective school districts prior to the year 2000 and thereafter from the Missouri Department of Elementary and Secondary Education.

Table 13

**CITY OF ST. PETERS, MISSOURI**  
**PROPERTY VALUE AND CONSTRUCTION**  
**LAST TEN FISCAL YEARS**

Year	Property Value				Commercial Construction(1)		Residential Construction(2)	
	Residential	Commercial	Agricultural	Total	Number Of Units	Value	Number Of Units	Value
1996	\$ 1,259,878,053	\$ 454,076,106	\$ 4,618,000	\$ 1,718,572,159	44	\$ 37,487,781	340	\$ 38,310,621
1997	1,320,006,163	457,127,738	3,477,625	1,780,611,526	50	25,961,590	327	32,986,885
1998	1,526,562,921	533,572,009	3,104,592	2,063,239,522	45	23,366,288	365	36,492,082
1999	1,559,386,211	534,895,203	3,099,358	2,097,380,772	58	47,951,903	264	26,328,171
2000	1,750,733,379	575,848,400	4,097,575	2,330,679,354	58	38,154,195	150	12,095,946
2001	1,790,658,526	593,023,391	3,768,575	2,387,450,492	40	24,923,011	823	49,161,645
2002	1,979,351,652	648,379,988	7,838,950	2,635,570,590	37	47,701,387	218	24,285,105
2003	2,006,578,226	662,689,119	7,605,400	2,676,872,745	79	61,680,082	431	55,996,636
2004	2,416,081,942	735,010,913	9,769,550	3,160,862,405	65	39,599,803	289	38,197,045
2005	2,475,565,768	760,143,778	3,642,700	3,239,352,246	13	15,856,038	302	29,516,271

(1) Excludes permits issued for miscellaneous purposes and tenant finishes.

(2) Excludes permits issued for miscellaneous purposes.

Source: Property values were provided by the St. Charles County Clerk.  
Construction data from the City of St. Peters, Missouri.

Table 14

**CITY OF ST. PETERS, MISSOURI**  
**MISCELLANEOUS STATISTICS**  
**SEPTEMBER 30, 2005**

Date of Incorporation	1910
Form of Government	City Administrator
Number of employees (excluding police officers):	
Full-time	284
Part-time and seasonal	331
Area in square miles	22.2
City of St. Peters facilities and services:	
Miles of streets	225
Number of street lights	2,483
Culture and recreation:	
Community centers:	
City Hall	1
Community and Arts Center	1
Sports Center(gymnasium)	1
Senior Citizen Center(includes a fitness trailer)	1
REC-PLEX(2 pools; 2 ice rink(one seasonal); gymnasium; fitness facilities)	1
Parks	19
Park acreage	685.71
Golf Courses	1
Outdoor swimming pools	3
Tennis Courts	7
Miles of hiking/biking trails	10.3
Police Protection:	
Number of stations	1
Number of police officers	83
Average number of physical arrests per month	223
Average number of calls for service per month	2,342
Sewerage System:	
Miles of sanitary sewers	227
Number of treatment plants	1
Number of service connections	17,563
Daily average treatment in gallons	5,930,000
Daily capacity of treatment plant in gallons	6,900,000
Miles of storm sewers	147
Water System:	
Miles of water mains	251
Number of service connections	16,430
Number of fire hydrants	2,455
Daily average consumption in gallons	5,200,000
Maximum daily capacity in gallons:	
Water treatment plant	6,000,000
City of St. Louis system(per contract)	9,858,000

**CITY OF ST. PETERS, MISSOURI**  
**MISCELLANEOUS STATISTICS**  
**SEPTEMBER 30, 2004**

## Facilities and services not included in the reporting entity:

## Fire Protection(1):

Number of stations	6
Number of employees:	
Full-time	75
Volunteers	0
Average number of calls per month	334
Average number of inspections conducted per month	350

## Education:

Number of elementary schools(2)	17
Number of certified elementary school instructors(2)	812
Number of secondary schools(2)	5
Number of certified secondary school instructors(2)	582
Number of community colleges(3)	1

## Hospitals:

Number of hospitals	1
Number of licensed patient beds	111

## Largest Employers:

## Number of employees:

Barnes St. Peters Hospital	612
Fort Zumwalt School District R-II	534
City of St. Peters	501
Reckitt & Benckiser Inc.	400
Continental AFA	247
Schnucks	201
Francis Howell School District R-III	197
Boone Center Inc	189
United Services Inc	150
Woodbridge Foam Manufacturing	134

- (1) Two districts provide fire protection to the City. During fiscal year 1998, St. Peters Fire Protection District consolidated with St. Charles Fire Protection District forming Central County Fire and Rescue. These statistics are for Central County Fire and Rescue as it covers the majority of the City.
- (2) These numbers reflect private schools and schools in the public districts that service residents of the City of St. Peters.
- (3) The community college campus is less than one mile from the City limits.