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Comprehensive Annual Financial Report, 1998

City of Lake St. Louis

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THE CITY OF LAKE SAINT LOUIS, MISSOURI

***COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 1998***

Prepared By: Office Of Administration

THE CITY OF LAKE SAINT LOUIS, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	PAGE
FINANCIAL SECTION - Continued	
Proprietary Funds	
Enterprise Funds:	
Combining Balance Sheet	44
Combining Statement Of Revenues, Expenses And Changes In Fund Equity - Budget And Actual	46
Combining Statement Of Cash Flows	48
Fiduciary Fund:	
Statement Of Changes In Assets And Liabilities	50
Required Supplementary Information	
Employees Retirement System - Required Supplementary Information: Schedule Of Funding Progress	51
STATISTICAL SECTION (Unaudited):	
General Governmental Revenues By Source	52
General Governmental Expenditures By Function	53
General Fund Tax Revenue By Source	54
Property Tax Levies And Collections	55
Assessed And Estimated Actual Value Of Taxable Property	56
Property Tax Rates - Direct And Overlapping Governments	57
Ratio Of Net General Obligation Bonded Debt To Assessed Value And Net General Obligation Bonded Debt Per Capita	58
Ratio Of Annual Debt Service Expenditures For General Obligation Bonded Debt To Total General Governmental Expenditures	59
Demographic Statistics	60
Construction And Property Values	61
Principal Taxpayers	62
Computation Of Direct And Overlapping Debt	63
Computation Of Legal Debt Margin	64
Miscellaneous Statistics And Information	65

The City provides a full range of non-utility municipal services. This includes police protection, public works, public improvement, planning and zoning, building inspections, engineering, parks and general administrative services.

ECONOMIC CONDITION AND OUTLOOK

The City of Lake Saint Louis is located in St. Charles County and is well served by two major highways which makes the rest of the St. Louis region very accessible. Lambert-St. Louis International Airport is a 30 minute drive while the downtown St. Louis area is within a 45 minute drive of the City.

As our name implies, our City's central feature is its two lakes. However, lakes are not the only recreational amenity available to residents. Lake Saint Louis offers some of the very best recreational facilities available anywhere in the St. Louis area, such as two 18-hole golf courses, a par 3 nine-hole golf course, tennis courts, beaches, swimming pools, horse stables, and parks.

Lake Saint Louis, which is one of the fastest growing cities in the state, has anticipated its growth and planned for its future since its inception. Evidence of our City's planned community environment is demonstrated by the high quality and diversity of our housing, our well planned residential and commercial areas, and by an abundance of recreational amenities.

While the City is currently on sound financial footing, the administration continues to advocate appropriate economic development which will provide financial stability and growth for decades to come.

MAJOR INITIATIVES

The planning and building of a new city hall building, the second phase of the Henke Road Project, developing a roadway plan to connect the North Outer Road to Lake Saint Louis Boulevard and working with developers to extend South Fox Hound Drive to Highway 40/61 leads the list of major projects for the coming fiscal year. The construction of the bike path and landscaping portion of the South Outer Road of Highway 40 will be completed this fiscal year along with finishing touches to the Interchange project at Highway 40. Acquisition of land for right-of-way to widen Freymuth Road from Orf Road to Highway N will begin in this fiscal year. Marketing the Hawk Ridge Business Park continues to be a long term project that requires constant attention.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable, and expenditures being recorded when the services or goods are received and the liabilities are incurred.

The City's system of internal accounting controls are designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

We believe that the City's internal accounting controls adequately safeguard its assets and provide reasonable assurance of proper recording of financial transactions.

Governmental fund expenditures totalled \$4,323,360, a decrease of 37.0% from 1996/97. The decrease in expenditures is due to the reduction of construction expenditures for the interchange and outer road projects.

Changes in levels of expenditures for major functions of the City over the preceding year are shown in the following tabulation:

Function	1997/98	% OF TOTAL	1996/97	% OF TOTAL	INCREASE (DECREASE)	% INCREASE (DECREASE)
Administration and finance	\$ 719,467	16.6%	\$ 624,378	9.1%	\$ 108,952	17.4 %
Police	1,032,029	23.9	924,656	13.5	146,806	15.9
Community development	237,012	5.5	717,838	10.5	(182,708)	(25.5)
Economic development	95,212	2.2	93,800	1.4	1,531	1.6
Public works	806,868	18.7	773,530	11.3	78,848	10.2
Court	121,657	2.8	105,466	1.5	17,605	16.7
Parks	157,510	3.6	126,471	1.8	97,374	77.0
Recreation	33,456	.8	38,139	.6	(2,688)	(7.0)
Property management	10,284	.2	3,020	—	7,264	240.5
Business Park	4,100	.1	—	—	4,100	100.0
Capital outlay	576,761	13.4	2,952,547	43.0	(2,837,066)	(96.1)
Debt service	529,004	12.2	501,475	7.3	22,021	4.4
TOTAL EXPENDITURES	\$4,323,360	100.0%	\$6,861,320	100.0%	\$(2,537,961)	(37.0)%

DEBT ADMINISTRATION

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. The ratio of net bonded debt to assessed valuation as of June 30, 1998, was 3.67%. The debt per capita for this same period was \$336.03.

Outstanding general obligation bonds at June 30, 1998, totalled \$4,441,072. These bonds, issued for street and drainage improvements, acquiring land and the construction of a Public Works maintenance facility, acquiring land and the development of a city park, and to assist in the acquisition and construction of a highway interchange, are considered to be net direct tax supported debt.

CASH MANAGEMENT

Cash temporarily idle during the year was invested in certificates of deposit ranging in terms from 60 to 360 days and in money market investment accounts. During the fiscal year ended June 30, 1998, the City's cash resources were divided between demand deposits (93%) and investments (7%). The amount of interest earned was \$233,707, an increase of \$34,519 from the 1996/97 fiscal year. This difference is due to the interest earned on the proceeds received from the issuance of the certificates of participation. These certificates were issued primarily to relieve short-term obligations with respect to golf course operations and do not constitute general obligation indebtedness of the City.

INDEPENDENT AUDIT

It is the policy of the City of Lake Saint Louis to have an independent audit of all books and accounts, financial records and transactions of the City made at the close of each fiscal year. This audit is performed annually by a Certified Public Accountant who is selected by the Board of Aldermen. The 1997/98 fiscal year's audit has been completed and the auditor's opinion is included in this report.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

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 Lake Saint Louis for its comprehensive annual financial report for the fiscal year ended June 30, 1997. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

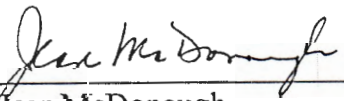
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

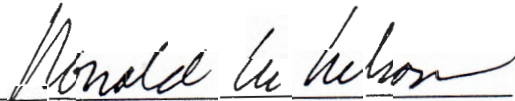
ACKNOWLEDGMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the staff of the Office of Administration. We would like to express our appreciation to all who assisted and contributed to its preparation. We would also like to thank the Mayor and the Board of Alderman for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectively submitted,



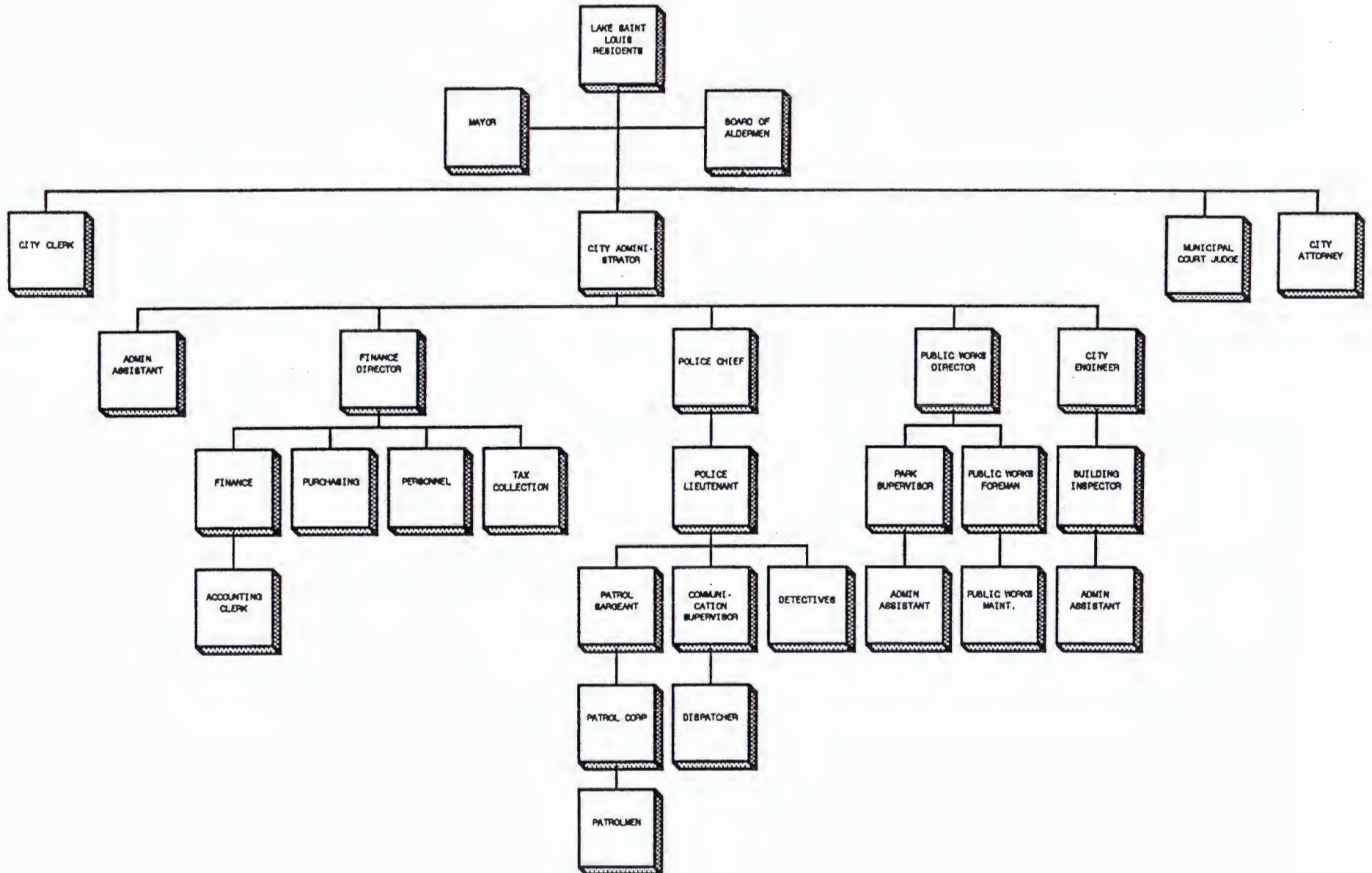
Jean McDonough
Director of Finance



Ronald A. Nelson
City Administrator

THE CITY OF LAKE SAINT LOUIS, MISSOURI

ORGANIZATIONAL CHART



FINANCIAL SECTION

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THE CITY OF LAKE SAINT LOUIS, MISSOURI
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1998

	<u>GOVERNMENTAL FUNDS</u>			<u>PROPRIETARY FUNDS</u>	<u>FIDUCIARY FUND</u>	<u>ACCOUNT GROUPS</u>	
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>AGENCY</u>	<u>GENERAL FIXED ASSETS</u>	<u>GENERAL LONG-TERM DEBT</u>
ASSETS							
Cash and cash equivalents	\$1,788,170	\$ 537,732	\$ 589,107	\$ 69,717	\$ —	\$ —	\$ —
Investments	16,805	—	—	—	265,016	—	—
Receivables:							
Real estate taxes, interest and penalties	10,966	4,789	—	—	—	—	—
Utility gross receipts taxes	44,777	—	—	—	—	—	—
Franchise fees	28,131	—	—	—	—	—	—
State gas and vehicle taxes	45,500	—	—	—	—	—	—
Sales tax	69,018	—	—	—	—	—	—
Other	11,718	—	—	31,097	—	—	—
Due from:							
Other funds	83,226	—	—	—	—	—	—
Other governmental agencies	—	—	—	—	—	—	—
Prepaid expenditures:							
Insurance	75,668	—	—	1,220	—	—	—
Sewer connections	15,725	—	21,164	—	—	—	—
Others	17,457	—	—	—	—	—	—
Inventory - improved land	898,695	—	—	—	—	—	—
Restricted assets:							
Cash and cash equivalents	—	—	35,187	846,645	—	—	—
Property and equipment (net where applicable, of accumulated depreciation)	—	—	—	6,374,261	—	3,369,731	—
Deferred charges	—	—	—	294,575	—	—	—
Amount available for retirement of bonds	—	—	—	—	—	—	551,488
Amount to be provided for retirement of long-term debt	—	—	—	—	—	—	5,652,303
TOTAL ASSETS	\$3,105,856	\$ 542,521	\$ 645,458	\$7,617,515	\$ 265,016	\$3,369,731	\$6,203,791

THE CITY OF LAKE SAINT LOUIS, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1998

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
REVENUES			
Taxes	\$2,150,890	\$ 516,006	\$ —
Intergovernmental	848,878	—	—
Fees, licenses, and permits	339,154	—	—
Interest	103,430	13,205	117,072
Recreation	50,517	—	—
Miscellaneous	<u>222,257</u>	<u>—</u>	<u>—</u>
TOTAL REVENUES	<u>3,715,126</u>	<u>529,211</u>	<u>117,072</u>
EXPENDITURES			
Current:			
Administration	542,486	—	—
Finance	176,981	—	—
Police	1,032,029	—	—
Community development	237,012	—	—
Economic development	95,212	—	—
Public works	709,678	—	97,190
Court	121,657	—	—
Parks	157,510	—	—
Recreation	33,456	—	—
Property management	10,284	—	—
Business park	4,100	—	—
Capital outlay	461,280	—	115,481
Debt service:			
Principal, interest and fiscal charges	<u>5,508</u>	<u>485,496</u>	<u>38,000</u>
TOTAL EXPENDITURES	<u>3,587,193</u>	<u>485,496</u>	<u>250,671</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	127,933	43,715	(133,599)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	—	144,233	38,000
Operating transfers out	(752,233)	—	—
Proceeds of certificates of participation	<u>1,655,733</u>	<u>—</u>	<u>—</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>903,500</u>	<u>144,233</u>	<u>38,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,031,433	187,948	(95,599)
FUND BALANCE - BEGINNING OF YEAR	384,419	153,540	875,739
RESIDUAL EQUITY TRANSFERS	<u>69,226</u>	<u>200,000</u>	<u>(200,000)</u>
FUND BALANCE - END OF YEAR	<u>\$1,485,078</u>	<u>\$ 541,488</u>	<u>\$ 580,140</u>

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

THE CITY OF LAKE SAINT LOUIS, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1998

SALES	\$ 898,695
COST OF SALES	<u>323,679</u>
GROSS PROFIT	<u>575,016</u>
OPERATING REVENUES	
Golf fees	1,134,863
Merchandise sales	8,853
Food and beverage sales	108,629
Miscellaneous	<u>14,128</u>
TOTAL OPERATING REVENUES	<u>1,266,473</u>
TOTAL OPERATING REVENUES AND GROSS PROFIT	<u>1,841,489</u>
OPERATING EXPENSES	
Administration	182,058
Pro Shop	217,045
Golf carts	9,296
Golf course maintenance	375,002
Snack bar	37,871
Contracted services	3,248
Signage and marketing	5,375
Depreciation (includes amortization of capital leases)	114,259
Amortization	17,853
Miscellaneous	<u>7,233</u>
TOTAL OPERATING EXPENSES	<u>969,240</u>
OPERATING INCOME	<u>872,249</u>
NON-OPERATING REVENUES (EXPENSE)	
Interest revenue	50,696
Interest expense	<u>(603,869)</u>
TOTAL NON-OPERATING REVENUES (EXPENSE)	<u>(553,173)</u>
OPERATING TRANSFER	<u>570,000</u>
NET INCOME	<u>\$ 889,076</u>

-continued-

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

THE CITY OF LAKE SAINT LOUIS, MISSOURI
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$1,256,769
Cash received from sale of inventory - improved land	898,695
Cash paid to suppliers	(877,715)
Cash received from other funds	130,553
Cash paid to other funds	(158,030)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,250,272</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments - certificates of participation	(940,000)
Principal payments - notes payable	(233,000)
Principal payments - capital leases	(85,568)
Interest paid	(608,961)
Residual equity transfer in	898,695
Residual equity transfer out	(967,921)
Operating transfer	<u>570,000</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,366,755)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	50,696
Proceeds from sale of investments	<u>690,863</u>
NET CASH PROVIDED BY INVESTMENT ACTIVITIES	<u>741,559</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	625,076
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>291,286</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 916,362</u>
CASH AND CASH EQUIVALENTS - CURRENT	\$ 69,717
CASH AND CASH EQUIVALENTS - RESTRICTED	<u>846,645</u>
TOTAL	<u>\$ 916,362</u>

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

NOTES TO THE FINANCIAL STATEMENTS

The Notes to the Financial Statements include a summary of accounting policies followed and information used by the City that are judged to be most appropriate for full disclosure in the preparation of the financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

City of Lake Saint Louis, Missouri Public Facilities Authority (the Golf Course and Business Park PFA) - A separate not-for-profit corporation created by ordinance of the City Council. Board members are appointed by the Mayor of the City and approved by the City Council. The Golf Course and Business Park PFA are reflected as Enterprise Funds.

The following is a summary of the more significant accounting policies:

B. **FUND ACCOUNTING**

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The following fund types and account groups are used by the City:

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 are accounted for through governmental funds. Capital expenditures and debt service of a general governmental nature are also included. The City uses the following governmental fund types:

General Fund - General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.

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

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

PROPRIETARY FUNDS

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector, where determination of net income is necessary or useful to sound financial administration.

Enterprise Funds - Enterprise Funds are used to account for operations (a) 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; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

D. **CASH AND CASH EQUIVALENTS**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

E. **INVESTMENTS**

Investment securities are carried at cost, except for investments in the deferred compensation agency fund which are reported at market value.

F. **RESTRICTED ASSETS**

Certain assets of the Public Facilities Authority Capital Project Fund and the Hawk Ridge Golf Club Enterprise Fund are classified as restricted assets because their use is restricted by applicable bond covenants. The "Acquisition" account is used to report resources set aside for the acquisition of the city hall site. The "Debt Service" accounts are used to segregate resources accumulated for debt service payments over the next twelve months. The "Debt Service Reserve" accounts are used to report resources set aside to make up potential future deficiencies in the debt service account.

G. **FIXED ASSETS**

General fixed assets have been acquired for general governmental purposes. Assets purchased are recorded as expenditures in the governmental funds and are capitalized at historical cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received. No depreciation has been provided on general fixed assets.

Certain improvements, including roads, bridges, sidewalks, drainage systems and lighting systems have not been capitalized. Such assets are immovable and of value only to the City.

Fixed assets purchased with proprietary funds are reported as assets within those funds and accordingly, are included on their balance sheet. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Depreciation of assets in proprietary funds is computed over the estimated useful lives using the straight-line method. Depreciation is recorded as of the date the assets are placed in service.

The estimated useful lives are as follows:

<u>Assets</u>	<u>Life</u>
Buildings	40 years
Vehicles	7 years
Equipment	3 -10 years

H. **ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not used by the City of Lake Saint Louis, Missouri.

3. **CASH AND INVESTMENTS - continued**

The City's investments are categorized below to give an indication of the level of risk assumed at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent, but not in the City's name.

	CATEGORY			CARRYING VALUE	MARKET VALUE
	<u>1</u>	<u>2</u>	<u>3</u>		
Certificate of Deposit	\$ <u>16,805</u>	\$ <u>—</u>	\$ <u>—</u>	\$ 16,805	\$ 16,805
Investments not subject to categorization:					
Deferred compensation plan				<u>265,016</u>	<u>265,016</u>
TOTAL INVESTMENTS				<u>\$281,821</u>	<u>\$281,821</u>

A reconciliation of cash and cash equivalents and investments as shown on the Combined Balance Sheet follows:

Cash on hand	\$ 550
Carrying amount of deposits	3,866,008
Carrying amount of investments	<u>281,821</u>
TOTAL	<u>\$4,148,379</u>
Cash and cash equivalents	\$2,984,726
Cash and cash equivalents -- restricted	881,832
Investments	<u>281,821</u>
TOTAL	<u>\$4,148,379</u>

4. **PROPERTY TAX**

The City's property tax is levied by September 1st of each year based on the assessed value listed as of the prior January 1st for all property located in the City. Property taxes are due by December 31st, following the levy date, and a lien is placed on the property as of January 1st if the taxes are not paid by the due date. Assessed values are established by the St. Charles County Assessor subject to review by the Board of Equalization.

The assessed value for property located in the City as of December 31, 1997, was \$100,779,959.

The City is permitted by Missouri State Statutes to levy taxes for various purposes. The following presents the maximum allowable tax levies and the City's actual levy for 1997:

Purpose	Per \$100 of Assessed Valuation	
	Maximum levy allowed by law	City's levy
General	\$1.00	\$.93
Debt Service Fund	N/A	.51

6. **FIXED ASSETS - continued**

A summary of enterprise fund type property and equipment at June 30, 1998, follows:

Land	\$1,258,863
Parking lot	238,802
Golf course	3,905,506
Buildings	671,074
Automotive	10,827
Furniture, fixtures and equipment	<u>675,036</u>
TOTAL	6,760,108
Less: accumulated depreciation	<u>385,847</u>
NET PROPERTY, PLANT AND EQUIPMENT	<u>\$6,374,261</u>

7. **THE CITY OF LAKE SAINT LOUIS PUBLIC FACILITIES AUTHORITIES**

The City of Lake Saint Louis Public Facilities Authority (City Hall Project), a not-for-profit corporation, was formed in 1990 to facilitate the acquisition of a site for a City Hall. Funding of the City Hall Project was provided through the issuance of Series 1990 Leasehold Revenue Bonds. The 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 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 PFA (City Hall Project) has no taxing power.

Concurrent with the issuance of these Series 1990 Leasehold Revenue Bonds, the City entered into a lease agreement dated September 1, 1990, whereby the City Hall site acquired by the PFA is being leased to the City. The lease is renewable for up to fourteen consecutive one-year terms commencing on July 1 in the years 1991 through 2004, plus a final renewal term commencing on July 1, 2004, and terminating on September 1, 2004.

Rental payments by the City are to be sufficient at all times to pay the total amount of interest and principal (whether at maturity, by acceleration, or by redemption as provided in the bond indenture) and premium, if any, on the Bonds as they become due. Rental payments may be reduced by monies then on deposit in the corresponding account of the Bond Fund which is available for payment of principal and interest on the Bonds.

For fiscal year 1998, the City made rental payments totalling \$38,000. The PFA (a blended component unit) is reflected in the Capital Projects Funds of the City's general purpose financial statements.

The City of Lake Saint Louis Public Facilities Authority (Municipal Golf Course and Business Park Project), a not-for-profit corporation, was formed in 1993 to facilitate the acquisition and construction of an 18-hole golf course and business park. Funding of the Municipal Golf Course and Business Park Project was provided through the issuance of Series 1993 Certificates of Participation. The Certificates 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 Certificates 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 PFA (Municipal Golf Course and Business Park Project) has no taxing power.

7. **THE CITY OF LAKE SAINT LOUIS PUBLIC FACILITIES AUTHORITIES - continued**

Concurrent with the issuance of these Series 1993 Certificates of Participation, the City entered into a lease agreement dated June 1, 1995, whereby the golf course being constructed by the PFA is leased to the City. The lease is renewable for up to twenty-one consecutive one-year renewal terms commencing on July 1 in the years 1994 through 2013, plus a final renewal term commencing on July 1, 2014 and ending on December 1, 2014, unless the term of the lease is terminated earlier because the Certificates have been paid in full or provision for payment has been made in accordance with the Indenture.

Rental payments by the City are to be sufficient at all times to pay the total amount of interest and principal and premium, if any, on the Certificates as they become due. Rental payments may be reduced by monies then on deposit in the Debt Service Fund which is available for payment of principal and interest on the Certificates. The City is also required to pay all fees, charges, and expenses of the Trustee and Paying Agent and such other additional payments as described in the Lease Agreement.

For fiscal year 1998, the City made rental payments totalling \$621,814. The PFA (a blended component unit) is reflected as Proprietary Funds - Enterprise Funds in the City's general purpose financial statements.

8. **CAPITAL LEASES**

The City has entered into lease agreements to finance the acquisition of certain equipment for the Hawk Ridge Golf Club. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date in the Enterprise Funds.

The assets acquired through capital leases are as follows:

Furniture, fixtures and equipment	\$338,498
Less: accumulated depreciation	<u>(159,414)</u>
TOTAL	<u>\$179,084</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 1998, are as follows:

Year Ending	
<u>June 30</u>	
1999	\$ 87,063
2000	<u>64,164</u>
Total minimum lease payments	151,227
Less: amount representing interest	<u>7,454</u>
Present value of minimum lease payments	<u>\$143,773</u>

9. **LONG-TERM DEBT - continued**

C. **Notes payable - continued**

Mercantile Bank	\$ 12,719
Date of note - September 23, 1997	
Maturity date - October 1, 2000	
Interest rate - 8.5% A.P.R.	
Payments - \$520 monthly, which include principal and interest	_____
TOTAL	<u>\$112,719</u>

Estimated maturities of the notes payable over the next six years are as follows:

1999	\$ 18,688
2000	24,449
2001	21,177
2002	20,778
2003	21,949
2004	<u>5,678</u>
TOTAL	<u>\$112,719</u>

D. **Certificates of Participation Payable** are recorded in the General Long-Term Debt Account Group and serviced through the Debt Service Fund as well as being recorded in an Enterprise Fund.

In March 1998, Certificates of Participation, Series 1998A and 1998B, were issued by the City primarily to provide funds to relieve short-term obligation of the City with respect to the golf course operations pursuant to a lease/purchase agreement. The certificates of participation nor the lease constitute a liability or obligation of the City beyond the lease term, then in effect, at any time and do not constitute a general obligation indebtedness of the City within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the certificates of participation does not obligate the City to levy any form of taxation or to make any appropriation for their payment in any year subsequent to a year in which the lease is in effect.

In addition, certificates of participation were issued in 1993 in the name of the City of Lake St. Louis, Missouri, Public Facilities Authority (the PFA Municipal Golf Course and Business Park Project). The PFA-Municipal Golf Course and Business Park Project was formed as a Missouri not-for-profit corporation. The purpose of the PFA-Municipal Golf Course and Business Park Project is to acquire land and construct and equip an 18-hole municipal golf course and related facilities and a business park. Funding of such a project was provided through the issuance of the certificates of participation. The certificates of participation do not constitute a legal debt or liability for the City, the State of Missouri, or any political subdivision thereof and does not constitute an indebtedness within the meaning of any statutory debt limitation or restriction. The issuance of the certificates of participation does not obligate the City to levy any form of taxation or to make any appropriation for their payment in any fiscal year. The PFA-Municipal Golf Course and Business Park Project has no taxing power.

9. **LONG-TERM DEBT** - continued

F. **Summary of Debt Services Requirements to Maturity** - The annual requirements to amortize all debt outstanding as of June 30, 1998, including interest payments are as follows:

YEAR ENDING JUNE 30,	GENERAL LONG TERM DEBT				ENTERPRISE FUND	
	BONDS PAYABLE		CERTIFICATES OF PARTICIPATION PAYABLE		CERTIFICATES OF PARTICIPATION PAYABLE	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
1999	\$ 260,000	\$ 512,666	\$ —	\$ 122,000	\$ —	\$ 516,265
2000	60,000	499,696	—	122,000	—	516,265
2001	225,000	230,543	—	122,000	—	516,265
2002	285,000	218,868	—	122,000	185,000	510,253
2003	95,196	408,666	—	122,000	300,000	494,490
2004	90,154	416,647	—	122,000	320,000	473,700
2005	81,549	423,001	1,650,000	122,000	340,000	450,930
2006	79,173	427,940	—	—	360,000	426,780
2007	380,000	195,800	—	—	385,000	400,404
2008	410,000	173,950	—	—	415,000	371,404
2009	505,000	149,965	—	—	445,000	339,561
2010	375,000	120,170	—	—	480,000	304,643
2011	365,000	97,295	—	—	515,000	267,081
2012	390,000	75,030	—	—	555,000	226,689
2013	410,000	51,240	—	—	595,000	183,276
2014	430,000	26,230	—	—	640,000	136,655
2015	—	—	—	—	<u>1,490,000</u>	<u>56,247</u>
TOTAL	<u>\$4,441,072</u>	<u>\$4,027,707</u>	<u>\$1,650,000</u>	<u>\$ 854,000</u>	<u>\$7,025,000</u>	<u>\$6,190,908</u>

G. **Legal Debt Margin** - Missouri State Statutes limit the amount of debt the City may have outstanding to 10% of the City's assessed valuation. At June 30, 1998, the statutory debt limit was \$10,077,996 providing a debt margin of \$6,398,412. The City has no authorized, unissued debt at June 30, 1998.

H. **Defeased Debt** - In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's General Long-Term Debt Account Group.

FIRST BANKS, INC.
FIRST SERVICES DIVISION
ACCOUNT RECONCILIATION PROCESSING
FAX TO: [314] 592-8361

FACSIMILE TRANSMITTAL SHEET

ATTENTION: RENEE ROETTGER

FROM: BERNIE SIDUN

COMPANY NAME: CITY OF LAKE ST LOUIS

DATE: 10-22-08
TIME: 9:15am **CENTRAL**

FAX NUMBER: 636-625-1427

NO. OF PAGES, INCLUDING COVER:

PHONE NUMBER: 636-625-6408

RE: POSITIVE PAY EXCEPTIONS

SENDER'S PHONE NUMBER: 314-592-8398

Urgent

For Review

Please Comment

Please Reply

Please review the exceptions attached. Copies of the items are attached for your convenience in reviewing the presented item.

Decisions must be received by **1:00 p.m.** or items will default to a return status.

**** The return reason for any un-decisioned items will be "Refer to Maker" ****

Account Number: 9871818176

9871818189

Exception Items Processing Date: 10-21-08

Number of Items: 0

Additional Bank Comments: _____

13. **RETIREMENT FUND COMMITMENTS** - continued

C. Annual Pension Cost

For 1998, the political subdivision's annual pension cost of \$147,323 was equal to the required and actual contributions. The required contribution was determined as part of the February 9, 1996 and/or 1997 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 7.0% 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 4.0% per year, depending on age, attributable to seniority/merit, and (d) pre- and post-retirement mortality based on the 1984 Group Annuity Mortality table set back no years for men and 6 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 a closed basis. The amortization period at February 28, 1998 was 29 years.

Fiscal Year <u>Ending</u>	Three-Year Trend Information		
	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/96	\$ 82,314	100%	\$ —
06/30/97	\$101,227	100%	\$ —
06/30/98	\$147,323	100%	\$ —

14. **OPERATING LEASE**

The City leases its office space under a two-year operating lease expiring in August, 1999. In addition, the City leases space for municipal court proceedings under a one-year operating lease expiring June, 1999. Rent expense of \$84,294 has been allocated to various current expenditures in the general fund.

Future minimum lease payments are as follows:

June 30, 1999	\$ 88,643
June 30, 2000	<u>14,265</u>
TOTAL	<u>\$102,908</u>

15. **EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN INDIVIDUAL FUNDS**

Excess of expenditures (including capital outlay and debt service) over appropriations in individual funds included the following:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Expenditures over Appropriations</u>
General Fund:			
Court	\$123,071	\$121,106	\$ 1,965
Property Management	10,284	9,815	469
Debt Service Fund	485,496	479,767	5,729

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GENERAL FUND

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

THE CITY OF LAKE SAINT LOUIS, MISSOURI

GENERAL FUND

SCHEDULE OF REVENUES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 1998

- continued -

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
INTEREST	\$ <u>81,358</u>	\$ <u>103,430</u>	\$ <u>22,072</u>
RECREATION			
Softball registration	31,000	31,120	120
Soccer fees	1,500	1,645	145
Adult softball fees	3,951	3,951	—
Youth softball/baseball contracts	—	1,552	1,552
Tournaments	11,000	5,715	(5,285)
Coaches certification fees	200	390	190
Concession stand fees	<u>8,000</u>	<u>6,144</u>	<u>(1,856)</u>
TOTAL RECREATION	<u>55,651</u>	<u>50,517</u>	<u>(5,134)</u>
MISCELLANEOUS			
Boulevard Park Tree Project	8,065	8,065	—
Boulevard Park Pond assessment	510	580	70
Park donations	84,935	45,712	(39,223)
Insurance reports	1,200	1,458	258
Cuivre River capital credits	1,381	1,381	—
Contributions	21,190	20,190	(1,000)
Miscellaneous	17,000	17,054	54
Rent income	23,767	22,817	(950)
Court settlement	75,000	75,000	—
Land lease income	<u>30,000</u>	<u>30,000</u>	<u>—</u>
TOTAL MISCELLANEOUS	<u>263,048</u>	<u>222,257</u>	<u>(40,791)</u>
TOTAL REVENUES	<u>\$3,876,001</u>	<u>\$3,715,126</u>	<u>\$(_ 160,875)</u>

THE CITY OF LAKE SAINT LOUIS, MISSOURI
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1998

- continued -

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
ECONOMIC DEVELOPMENT			
Current:			
Personnel	\$ 60,667	\$ 59,646	\$(1,021)
Commodities	4,815	4,237	(578)
Contractual	21,674	21,553	(121)
Maintenance	1,300	1,219	(81)
Miscellaneous	12,000	8,557	(3,443)
Debt service	<u>92</u>	<u>119</u>	<u>27</u>
TOTAL ECONOMIC DEVELOPMENT	<u>100,548</u>	<u>95,331</u>	<u>(5,217)</u>
PUBLIC WORKS			
Current:			
Personnel	246,285	245,575	(710)
Commodities	137,535	133,188	(4,347)
Contractual	390,620	311,975	(78,645)
Maintenance	25,750	18,940	(6,810)
Capital outlay	47,376	45,511	(1,865)
Debt service	<u>600</u>	<u>—</u>	<u>(600)</u>
TOTAL PUBLIC WORKS	<u>848,166</u>	<u>755,189</u>	<u>(92,977)</u>
COURT			
Current:			
Personnel	74,862	75,306	444
Commodities	9,950	9,462	(488)
Contractual	33,467	35,604	2,137
Maintenance	1,440	1,285	(155)
Capital outlay	1,295	1,295	—
Debt service	<u>92</u>	<u>119</u>	<u>27</u>
TOTAL COURT	<u>121,106</u>	<u>123,071</u>	<u>1,965</u>

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THE CITY OF LAKE SAINT LOUIS, MISSOURI
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
REVENUES			
Property taxes	\$514,680	\$516,006	\$ 1,326
Interest	<u>5,000</u>	<u>13,205</u>	<u>8,205</u>
TOTAL REVENUES	<u>519,680</u>	<u>529,211</u>	<u>9,531</u>
 EXPENDITURES			
Debt service:			
Principal and interest	478,542	484,276	5,734
Fiscal charges	<u>1,225</u>	<u>1,220</u>	<u>(5)</u>
TOTAL EXPENDITURES	<u>479,767</u>	<u>485,496</u>	<u>5,729</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 39,913	 43,715	 3,802
 OTHER FINANCING SOURCES			
Operating transfers in	<u>138,500</u>	<u>144,233</u>	<u>5,733</u>
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	 <u>\$178,413</u>	 187,948	 <u>\$ 9,535</u>
 FUND BALANCE - BEGINNING OF YEAR		153,540	
 RESIDUAL EQUITY TRANSFERS IN		<u>200,000</u>	
 FUND BALANCE - END OF YEAR		<u>\$541,488</u>	

THE CITY OF LAKE SAINT LOUIS, MISSOURI
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1998

	PUBLIC FACILITIES AUTHORITY FUND	INTERCHANGE FUND	OUTER ROAD FUND	TOTAL
CURRENT ASSETS				
Cash and cash equivalents	\$ 693	\$246,013	\$342,401	\$589,107
Prepaid sewer connections	<u>—</u>	<u>—</u>	<u>21,164</u>	<u>21,164</u>
TOTAL CURRENT ASSETS	<u>693</u>	<u>246,013</u>	<u>363,565</u>	<u>610,271</u>
RESTRICTED ASSETS				
Cash and cash equivalents:				
Acquisition	2,216	—	—	2,216
Debt service	29	—	—	29
Debt service reserve	<u>32,942</u>	<u>—</u>	<u>—</u>	<u>32,942</u>
TOTAL RESTRICTED ASSETS	<u>35,187</u>	<u>—</u>	<u>—</u>	<u>35,187</u>
 TOTAL ASSETS	 <u>\$ 35,880</u>	 <u>\$246,013</u>	 <u>\$363,565</u>	 <u>\$645,458</u>
LIABILITIES				
Accounts payable	—	56,162	8,765	64,927
Fund held in escrow:				
Donations escrow	<u>391</u>	<u>—</u>	<u>—</u>	<u>391</u>
TOTAL LIABILITIES	<u>391</u>	<u>56,162</u>	<u>8,765</u>	<u>65,318</u>
FUND BALANCE				
Unreserved	35,489	189,851	333,636	558,976
Reserved for prepaid expenditures	<u>—</u>	<u>—</u>	<u>21,164</u>	<u>21,164</u>
TOTAL FUND BALANCE	<u>35,489</u>	<u>189,851</u>	<u>354,800</u>	<u>580,140</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 35,880</u>	 <u>\$246,013</u>	 <u>\$363,565</u>	 <u>\$645,458</u>

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THE CITY OF LAKE SAINT LOUIS, MISSOURI
PROPRIETARY FUNDS - ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1998

	<u>HAWK RIDGE GOLF CLUB</u>	<u>HAWK RIDGE BUSINESS PARK</u>	<u>BUSINESS PARK AREA ASSOCIATION</u>	<u>TOTAL</u>
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 48,414	\$ —	\$ 21,303	\$ 69,717
Receivables:				
Other	31,097	—	—	31,097
Prepaid expenses:				
Insurance	<u>1,220</u>	<u>—</u>	<u>—</u>	<u>1,220</u>
TOTAL CURRENT ASSETS	<u>80,731</u>	<u>—</u>	<u>21,303</u>	<u>102,034</u>
RESTRICTED ASSETS				
Cash and cash equivalents:				
Debt service account	43,116	—	—	43,116
Debt service reserve account	<u>803,529</u>	<u>—</u>	<u>—</u>	<u>803,529</u>
TOTAL RESTRICTED ASSETS	<u>846,645</u>	<u>—</u>	<u>—</u>	<u>846,645</u>
PROPERTY AND EQUIPMENT				
Property and equipment	6,760,108	—	—	6,760,108
Less: accumulated depreciation	<u>385,847</u>	<u>—</u>	<u>—</u>	<u>385,847</u>
NET PROPERTY AND EQUIPMENT	<u>6,374,261</u>	<u>—</u>	<u>—</u>	<u>6,374,261</u>
OTHER ASSETS				
Deferred charges	<u>294,575</u>	<u>—</u>	<u>—</u>	<u>294,575</u>
TOTAL ASSETS	<u>\$7,596,212</u>	<u>\$ —</u>	<u>\$ 21,303</u>	<u>\$7,617,515</u>

THE CITY OF LAKE SAINT LOUIS, MISSOURI
PROPRIETARY FUNDS - ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1998

	HAWK RIDGE GOLF CLUB		HAWK RIDGE BUSINESS PARK		BUSINESS PARK AREA ASSOCIATION		TOTAL
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	
SALES	\$ —	\$ —	\$ 100,000	\$ 898,695	\$ —	\$ —	\$ 898,695
COST OF SALES	—	—	31,302	323,679	—	—	323,679
GROSS PROFIT	—	—	68,698	575,016	—	—	575,016
OPERATING REVENUES							
Golf fees	1,294,804	1,134,863	—	—	—	—	1,134,863
Merchandise sales	11,278	8,853	—	—	—	—	8,853
Food and beverage sales	126,308	108,629	—	—	—	—	108,629
Miscellaneous	3,500	5,728	—	—	8,400	8,400	14,128
TOTAL OPERATING REVENUES	<u>1,435,890</u>	<u>1,258,073</u>	<u>—</u>	<u>—</u>	<u>8,400</u>	<u>8,400</u>	<u>1,266,473</u>
TOTAL OPERATING REVENUES AND GROSS PROFIT	<u>1,435,890</u>	<u>1,258,073</u>	<u>68,698</u>	<u>575,016</u>	<u>8,400</u>	<u>8,400</u>	<u>1,841,489</u>
OPERATING EXPENSES							
Administration	197,954	182,058	—	—	—	—	182,058
Pro Shop	220,552	217,045	—	—	—	—	217,045
Golf carts	5,490	9,296	—	—	—	—	9,296
Golf course maintenance	410,436	375,002	—	—	—	—	375,002
Snack bar	40,504	37,871	—	—	—	—	37,871
Contracted services	—	—	4,520	3,248	—	—	3,248
Signage and marketing	—	—	10,300	5,375	—	—	5,375
Depreciation (includes amortization of capital leases)	115,000	114,259	—	—	—	—	114,259
Amortization	17,853	17,853	—	—	—	—	17,853
Miscellaneous	—	—	7,665	7,233	—	—	7,233
TOTAL OPERATING EXPENSES	<u>1,007,789</u>	<u>953,384</u>	<u>22,485</u>	<u>15,856</u>	<u>—</u>	<u>—</u>	<u>969,240</u>
OPERATING INCOME	<u>428,101</u>	<u>304,689</u>	<u>46,213</u>	<u>559,160</u>	<u>8,400</u>	<u>8,400</u>	<u>872,249</u>
NON-OPERATING REVENUES (EXPENSE)							
Interest revenue	54,996	50,251	100	30	300	415	50,696
Interest expense	(602,283)	(603,869)	—	—	—	—	(603,869)
TOTAL NON-OPERATING REVENUES (EXPENSE)	<u>(547,287)</u>	<u>(553,618)</u>	<u>100</u>	<u>30</u>	<u>300</u>	<u>415</u>	<u>(553,173)</u>
OPERATING TRANSFER	<u>570,000</u>	<u>570,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>570,000</u>
NET INCOME	<u>\$ 450,814</u>	<u>\$ 321,071</u>	<u>\$ 46,313</u>	<u>\$ 559,190</u>	<u>\$ 8,700</u>	<u>\$ 8,815</u>	<u>\$ 889,076</u>

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THE CITY OF LAKE SAINT LOUIS, MISSOURI
PROPRIETARY FUNDS - ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1998

	<u>HAWK RIDGE GOLF CLUB</u>	<u>HAWK RIDGE BUSINESS PARK</u>	<u>BUSINESS PARK AREA ASSOCIATION</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$1,248,369	\$ —	\$ 8,400	\$1,256,769
Cash received from sale of inventory - improved land	—	898,695	—	898,695
Cash paid to suppliers	(860,847)	(16,868)	—	(877,715)
Cash received from other funds	—	130,553	—	130,553
Cash paid to other funds	(111,638)	(46,392)	—	(158,030)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>275,884</u>	<u>965,988</u>	<u>8,400</u>	<u>1,250,272</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal payments – certificates of participation	(940,000)	—	—	(940,000)
Principal payments - notes payable	(233,000)	—	—	(233,000)
Principal payments - capital leases	(85,568)	—	—	(85,568)
Interest paid	(608,961)	—	—	(608,961)
Residual equity transfers in	898,695	—	—	898,695
Residual equity transfers out	—	(967,921)	—	(967,921)
Operating transfer	<u>570,000</u>	<u>—</u>	<u>—</u>	<u>570,000</u>
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(398,834)</u>	<u>(967,921)</u>	<u>—</u>	<u>(1,366,755)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	50,251	30	415	50,696
Proceeds from sale of investments	<u>690,863</u>	<u>—</u>	<u>—</u>	<u>690,863</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>741,114</u>	<u>30</u>	<u>415</u>	<u>741,559</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	618,164	(1,903)	8,815	625,076
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>276,895</u>	<u>1,903</u>	<u>12,488</u>	<u>291,286</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 895,059</u>	<u>\$ —</u>	<u>\$ 21,303</u>	<u>\$ 916,362</u>
CASH AND CASH EQUIVALENTS - CURRENT	\$ 48,414	\$ —	\$ 21,303	\$ 69,717
CASH AND CASH EQUIVALENTS - RESTRICTED	<u>846,645</u>	<u>—</u>	<u>—</u>	<u>846,645</u>
TOTAL	<u>\$ 895,059</u>	<u>\$ —</u>	<u>\$ 21,303</u>	<u>\$ 916,362</u>

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THE CITY OF LAKE SAINT LOUIS, MISSOURI
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1998

	<u>TOTAL ASSETS AND LIABILITIES JULY 1, 1997</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>TOTAL ASSETS AND LIABILITIES JUNE 30, 1998</u>
Deferred Compensation Fund	\$ <u>209,194</u>	\$ <u>55,921</u>	\$ <u> 99</u>	\$ <u>265,016</u>

THE CITY OF LAKE SAINT LOUIS, MISSOURI
EMPLOYEES RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation <u>Date</u>	(a) Actuarial Value <u>of Assets</u>	(b) Entry Age Actuarial Accrued <u>Liability</u>	(b-a) Unfunded Accrued Liability <u>(UAL)</u>	(a/b) Funded <u>Ratio</u>	(c) Annual Covered <u>Payroll</u>	[(b-a)/c] UAL as a Percentage of Covered <u>Payroll</u>
2/29/96	\$ 567,667	\$ 883,827	\$ 316,160	64%	\$ 938,812	34%
2/28/97	732,513	917,743	185,230	80	1,058,361	18
2/28/98	960,709	1,181,610	220,901	81	1,323,692	17
2/28/98*	960,709	1,419,355	458,646	68	1,323,692	35

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 29, 1996 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

* After benefit changes

THE CITY OF LAKE SAINT LOUIS, MISSOURI
 GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)
 LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>TAXES</u>	<u>FEDERAL, STATE, COUNTY GRANTS AND ENTITLEMENTS</u>	<u>FEES, LICENSES, FINES, AND PERMITS</u>	<u>INTEREST ON INVESTMENTS</u>	<u>RECREATION</u>	<u>PROCEEDS FROM BOND SALE</u>	<u>OTHER</u>	<u>TOTAL</u>
1988/89	\$1,548,616	\$ 198,745	\$ 113,174	\$ 83,740	\$ —	\$ 985,000	\$ 12,501	\$2,941,776
1989/90	1,745,271	219,384	106,016	75,341	—	—	66,682	2,212,694
1990/91	1,761,839	199,952	109,463	71,441	—	3,222,310	26,306	5,391,311
1991/92	1,841,871	306,734	122,099	267,564	—	—	32,743	2,571,011
1992/93	1,956,835	349,433	178,296	168,132	—	—	30,089	2,682,785
1993/94	2,002,763	614,917	178,162	140,638	—	—	25,756	2,962,236
1994/95	2,129,722	748,386	213,681	175,371	—	—	176,919	3,444,079
1995/96	2,287,654	721,169	218,689	160,480	31,024	—	91,073	3,510,089
1996/97	2,439,485	1,320,662	275,707	199,188	51,251	—	160,506	4,446,799
1997/98	2,666,896	848,878	339,154	233,707	50,517	1,655,733	222,257	6,017,142

(1) Includes all Governmental Fund Types

THE CITY OF LAKE SAINT LOUIS, MISSOURI
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

FISCAL YEAR	REAL ESTATE		RAILROAD AND UTILITY		TOTAL		RATIO OF ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1988/89	\$ 59,655,310	\$290,822,722	\$ 732,851	\$ 2,290,159	\$ 60,388,161	\$293,112,881	20.60%
1989/90	67,444,190	330,704,750	1,712,891	5,352,784	69,157,081	336,057,534	20.58
1990/91	69,649,410	340,985,877	1,723,694	5,386,544	71,373,104	346,372,421	20.61
1991/92	70,477,730	354,632,801	1,438,064	4,493,950	71,915,794	359,126,751	20.03
1992/93	73,796,230	370,355,944	1,563,704	4,866,575	75,359,934	375,242,519	20.08
1993/94	76,592,360	373,141,025	1,688,740	5,277,312	78,281,100	378,418,337	20.60
1994/95	76,802,520	386,700,644	169,289	520,562	76,971,809	387,221,206	19.88
1995/96	84,775,386	428,928,891	178,865	558,953	84,954,251	429,487,844	19.78
1996/97	87,940,780	445,357,073	235,515	735,984	88,176,295	446,093,057	19.77
1997/98	100,489,180	508,480,609	290,779	908,684	100,779,959	509,389,293	19.78

SOURCE: St. Charles County Assessor's Office

THE CITY OF LAKE SAINT LOUIS, 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 (2)</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>
1988/89	6,420	\$59,655,310	\$ 2,025,000	\$ 364,303	\$ 1,660,697	2.78%	\$ 258.68
1989/90	6,970	67,444,190	1,870,000	368,310	1,501,690	2.23	215.45
1990/91	7,400	69,649,410	1,600,000	409,266	1,190,734	1.71	160.91
1991/92	8,000	70,477,730	5,440,000	779,818	4,660,182	6.61	582.52
1992/93	8,200	73,796,230	5,230,000	551,488	4,678,512	6.36	570.55
1993/94	8,500	76,592,360	4,991,072	306,514	4,684,558	6.12	551.12
1994/95	8,815	76,802,520	4,826,072	223,951	4,602,121	5.98	521.90
1995/96	9,165	84,775,386	4,646,072	168,712	4,477,360	5.28	488.53
1996/97	9,532	87,940,780	4,446,072	153,540	4,292,532	4.88	450.33
1997/98	10,980	100,489,180	4,231,072	541,488	3,689,584	3.67	336.03

(1) Population figures are based on U.S. census data, revenue sharing data, and The City of Lake Saint Louis estimates

(2) SOURCE: St. Charles County Assessor's Office

THE CITY OF LAKE SAINT LOUIS, MISSOURI
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>POPULATION</u> (1)	<u>PER CAPITA INCOME</u> (2)	<u>SCHOOL ENROLLMENT</u> (3)	<u>UNEMPLOYMENT RATE</u> (4)
1988/89	6,420	\$20,656	\$ 4,080	2.60%
1989/90	6,970	23,136	4,140	2.40
1990/91	7,400	24,290	4,369	2.70
1991/92	8,000	25,507	4,445	3.50
1992/93	8,200	26,017	4,753	3.60
1993/94	8,500	26,928	4,634	4.20
1994/95	8,815	27,735	4,750	5.00
1995/96	9,165	28,844	4,900	2.20
1996/97	9,532	29,998	5,200	2.20
1997/98	10,980	31,198	5,355	2.20

(1) Population figures are based on U.S. census data, revenue sharing data, and The City of Lake Saint Louis estimates

(2) Per capita figures are based on U.S. census data, revenue sharing data and The City of Lake Saint Louis estimates

(3) Represents total school enrollment. District does not maintain figures by location

(4) SOURCE: Division of Employment Security

THE CITY OF LAKE SAINT LOUIS, MISSOURI

PRINCIPAL TAXPAYERS

JUNE 30, 1998

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	1996 <u>ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
Cedar Ridge Associates	Condos	\$2,243,390	2.23%
SSM Health Care	Medical	1,077,370	1.07
Lake Forest Golf and Country Club	Country Club	792,770	0.79
Palmer Properties	Office Building	688,310	0.68
Bent Oak LLC	Apartments	579,440	0.58
Laclede Gas	Utility	561,150	0.56
Cuivre River Electric	Utility	560,050	0.56
Collier Building Corp.	Office Building	418,980	0.42
KMJ Management, Inc.	Motel	366,760	0.36
Ravenwood Properties	Office Bldg/Restaurant	339,640	0.34

SOURCE: The City of Lake Saint Louis Tax Records

THE CITY OF LAKE SAINT LOUIS, MISSOURI
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 1998

Assessed valuation		<u>\$100,779,959</u>
Debt limit - 10% of assessed valuation		\$ 10,077,996
Amount of debt applicable to debt limit:		
Total bonded debt	4,441,072	
Less:		
Leasehold Revenue Bonds - PFA	(210,000)	
Amount available in Debt Service Fund	<u>(551,488)</u>	
Total amount of debt applicable to debt limit		<u>3,679,584</u>
Legal debt margin		<u>\$ 6,398,412</u>