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CITY OF ST. PETERS, MISSOURI

*Comprehensive Annual Financial Report
Fiscal year ended September 30, 1998*



CITY OF ST. PETERS, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 1998

Report issued by the Office of Administration

Timothy M. Wilkinson, CPA
Assistant City Administrator

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Part I - Introductory Section



December 15, 1998

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, 1998 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 various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart, and a list of principal City officials. The financial section includes the independent auditors' report on the general purpose financial statements, the combining and individual fund and individual account group financial statements and schedules, and supplementary data. The statistical section includes selected financial and demographic information generally presented on a multiyear basis.

This report includes all funds and account groups of the City. The City provides a full range of services that include police protection; water and sanitary sewer service; residential trash collection; construction and maintenance of streets and infrastructure; planning, zoning and code enforcement; health; recreational activities; and cultural events. This report also includes the financial statements of the City of St. Peters Natatorium Foundation, a separate not-for-profit corporation established to support the City's recreational complex. In addition, this report includes the financial statements of the City of St. Peters Public Improvement Corporation (the PIC), a separate not-for-profit corporation, established to finance the purchase of machinery and equipment for the solid waste collection operation.

ECONOMIC CONDITION AND OUTLOOK

St. Peters continues to be one of the fastest growing cities in Missouri. The City has had the largest population growth of any Missouri city during the past two decades. Since 1980, the population has more than tripled. The City has kept pace with this growth and the need for additional services while simultaneously reducing the ad valorem tax rate. This is due to the dramatic increase in sales tax receipts and the growth in assessed valuation of the City. The assessed valuation in the City is nearly triple the valuation in 1985.

The population of St. Peters is younger than that of the nation and the state of Missouri. The median age of the population in 1990 was 29.8 years compared to 33.5 years for Missouri. Approximately one-third of the population was under the age of 18 years. The percentage of young adults, ages 18-24, was 7.01%, while the older adults, 65 years and above, comprised only 4.5% of the population.

According to statistics from the United States Bureau of Census, in 1990, St. Peters' residents over the age of 3 enrolled in school totaled 13,995. The percentage of the City's adult population which graduated from high school was 89.8% and 25.5% of the population obtained a bachelor's degree or higher degree. This compares favorably to the State of Missouri which had a population graduated from high school of 73.9% and a population obtaining a bachelor's degree or higher of 17.8%.

As has been the trend for more than a decade, the City's economy continues to diversify with modern housing, numerous commercial enterprises, several shopping centers, support services, and some industries. Commercial growth is attributable to the City's 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 1,200 business establishments, of which approximately 30 are involved in manufacturing. In addition, there are approximately 600 home-based businesses operating in St. Peters. According to a survey of 20,000 cities published in the November 1993 issue of Home Office Computing magazine, St. Peters was ranked in the top 10 best cities in America for running a home-based business.

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, Mid Rivers Mall (the "Mall"), is also the largest shopping center in St. Charles County. The Mall opened in 1987. Four major department stores anchor the Mall which has

approximately 140 shops including a food court, restaurants, and a multi-screen theater. The Mall contains more than 900,000 square feet. The fourth anchor, J. C. Penney, opened on November 1, 1996. In addition, the Mall retail space for specialty stores expanded by approximately 56,000 square feet at that same time.

During fiscal year 1998, residential and commercial building permits were issued with estimated construction values of \$36,492,082 and \$23,366,288, respectively. Residential construction continues to be active, with 365 building permits issued during the year. During the year, the City had over 40,000 square feet of industrial space under construction, with an estimated value of \$2 million. Also during the year, 200,000 square feet of retail and commercial space, with a value of over \$6 million, was either added or re-occupied and over 125,000 square feet of office and hotel space, with an estimated value of \$12 million, was constructed and occupied. In addition, over \$10 million was invested in church, educational, hospital and government facilities resulting in approximately 120,000 square feet of new space.

The economy of St. Peters has flourished even during periods of recession as evidenced by historical increases in assessed valuation, retail sales, and new construction. However, as a suburban community, which is a part of a larger metropolitan area, the City's continued growth can be affected by economic events occurring outside its corporate limits. The City has strived to manage its dramatic growth. Future opportunities will be carefully and conservatively evaluated as the City continues to actively seek new development.

MAJOR INITIATIVES

Management Information Systems

During the year ended September 30, 1998, the City implemented various advancements in the Management Information Systems (MIS) area. Included in these advancements was the migration to a client/server environment. Approximately sixty personal computers were placed into service, and ten NT servers replaced two mini servers. These changes, along with the fiber optic connections that were put in place during fiscal year 1997, enhanced the user's ability to access information.

During fiscal year 1999 the City will complete the conversion to new accounting, human resources and parks/recreation software. In addition, the City plans to select and install new police software. These new systems should function more efficiently in the Windows NT environment. In future years, the City plans to extract key information from these systems into a data warehouse database.

In addition to the above applications, the City is involved in several other major data processing applications. The Westplex Information Network (WIN) was created several years ago to allow area residents access to the Internet. WIN was established as a separate non-profit entity with its initial directors representing several political subdivisions in St. Charles County. Basic service is free to all St. Charles County residents. In addition, WIN offers special connections that allow users to view graphics on the Internet and download information and mail files directly to their computer. A fee is charged for these special services. WIN has approximately 19,000 registered users.

During the year the City continued its development of a geographic information system and automated mapping/facilities management system (GIS system). This is a multi-year project that, when completed, will consist of computerized streets, topography, and school district boundaries. Currently, the GIS system is being utilized internally at the City.

Water Works/Sanitary Sewer Operations

The City has two sources of water supply. The first is a 6 million gallon per day treatment plant that is supplied by a well system. The second source of water is the City of St. Louis Howard Bend Water Treatment Plant. Several years ago, the City and the City of St. Charles, Missouri formed a joint venture to build a pipeline to the Howard Bend plant. The City has a long-term agreement with St. Louis that provides for a supply of up to 9.858 million gallons of potable water per day. The City has been able to balance the use of these two sources of water such that energy costs associated with water production and distribution are minimized.

During fiscal year 1998, the City continued to expand the water and sanitary sewer system. City crews constructed approximately 1,500 lineal feet of water main. This construction was necessary to allow the City to serve its expanding service area. During the year, 1,263 water meters were replaced under a plan to convert to an automated meter reading system. The system provides for meters to be read via a touch pad installed near the house or on top of the meter well. This remote read is digital rather than pulse to ensure greater accuracy. The system includes hand-held computer reading units and route manager software. The system can be modified in the future to deliver readings through radio, cable, or phone lines. The remaining meters in the City will be replaced over a 5 to 7 year period.

Solid Waste Management

Fiscal year 1998 was the seventh full year for city-provided residential trash collection. This comprehensive service includes curbside collection twice per week, yard waste collection one time per week, and bulk pickup service. The yard waste that is collected is disposed of at the City's composting facility.

Fiscal year 1998 was the first full year for operations at the municipal waste Central Material Processing Facility (CMPF) and transfer station that became operational in April 1997. City collected residential trash is delivered to the CMPF for separation of material that can be either recycled or composted. The residual trash is then hauled to a landfill. Construction of the facility was partially funded by a grant of \$1,500,000 from the U.S. Department of Commerce Economic Development Administration. Total cost to construct and equip the facility was approximately \$5.6 million. The facility operates in conjunction with a "bluebag" collection system. City residents dispose of recyclables in blue bags, which are placed in their trash containers with other garbage. The blue bags are separated from the other trash at the CMPF, and the recyclables are sorted on various conveyor systems within the facility. Operation of the CMPF has enabled the City to achieve a 40% reduction of residential waste to landfills, as mandated by the State of Missouri. Eleven different commodities are processed and recycled at the plant. Approximately 8,153 bales and approximately 13 million lbs. of material were recycled during the year. During the fiscal year a yard waste grinder was purchased to grind and screen yard waste. A portion of the resulting compost is offered to residents free of charge. Other initiatives included implementation of an aluminum buy-back program, improvements to the blue bags used for recycling, and acquisition of an oil filter crusher through a grant to recycle oil filters.

Health

During fiscal year 1998 the City raised its adoption fees for pets to \$60 to help cover the cost of a mandatory microchip used for identification purposes. In addition, the City reached an agreement with St. Charles County to lease space in a new county kennel facility to be constructed in 1999. This will allow for the closing of the City's existing temporary kennel facility.

Public Works

During fiscal year 1998, the City continued its program to repair and maintain existing roadways within the City limits. Asphalt overlay was applied to 7 miles of streets. In addition, the City replaced 17,000 square yards of concrete streets and replaced over 10,000 lineal feet of concrete curbing. In the future, this effort will be facilitated by a computerized pavement maintenance management system that will be linked to the GIS system. This will assist in prioritizing street repair projects by more objective measures. The City has purchased software that will assist in performance curve cost-analysis. The software will take available data and predict when roads will fail. This will help the City decide when and where to concentrate maintenance dollars to extend the life and improve performance of our streets.

During fiscal year 1998 several significant construction projects were undertaken. Construction started on the Old Town Levee Project which includes the construction of a new levee, roadways, and a pump station to flood protect approximately 725 acres. A four-lane bridge was constructed over Interstate 70 at Executive Center Parkway. In addition, McClay Road was widened and reconstructed.

Plans for fiscal year 1999 include the completion of the Old Town Levee Project. Construction is planned for the widening of portions of Central School Road, Jungermann Road, Mexico Road, Mid Rivers Mall Drive, Ohmes Road, and Salt Lick Road.

Municipal Safety

During fiscal year 1998, the Police Department maintained and improved its relationship with the community through our existing crime prevention programs. These programs include Neighborhood Watch, Mall Watch and Business Watch. A considerable amount of effort was made to establish communication lines with the business districts. Each business within the City was contacted by a Community Policing officer. Business emergency information was updated and the business owner was assisted with any safety and security concerns.

During the year, the City acquired a fleet of bikes for use in the Community Policing Program. The bikes were used to patrol subdivisions and business districts, participate in National Night Out and Olde Tyme Picnic Parade, and maintain a very visible police presence in problem areas. Members of the Department received specialized training for this bike patrol.

In addition, a Problem Oriented Policing program was initiated where officers are assigned to areas in the City where residents are having problems. The assigned officer carries a pager through which residents can page the officer directly to communicate problems and concerns.

Also during the year, construction began on a building expansion to keep pace with the growing department and community. The expansion will cost an estimated \$1.3 million and be financed by a lease bond issue of the PIC to be repaid by the General Fund. In addition, the Citizen Police Academy completed its second year of training. Twenty-six members of the community participated in this twenty-one week program designed to educate citizens about the operation of the Police Department. Also, for the first time in the City's history, the Police Department's Chief of Police was elected as the President of the International Association of Chiefs of Police. Chief Ronald S. Neubauer was inaugurated as President for a one-year term and will serve National and International Law Enforcement through the largest law enforcement organization in the world.

Recreation Activities

Fiscal Year 1998 was the fourth full year of operation of the REC-PLEX. This multi-purpose recreation complex includes: an olympic caliber 50-meter competition pool and diving tank; an indoor recreational pool; an indoor ice rink; a gymnasium with an elevated running track; and many other assorted recreation components. When the facility initially opened, the City was in the national spotlight, as the aquatic events of the 1994 U.S. Olympic Festival and the Alamo World Diving trials were held at the REC-PLEX in July and August of 1994. Thousands of sports fans flocked to the REC-PLEX to see America's top athletes in action. Since that time, the focus of activity has been on the everyday recreation enjoyment of area residents. In excess of 1,250,000 people visited the REC-PLEX and enjoyed the numerous recreation alternatives the facility offers. The facility was also the venue for numerous swimming, diving, skating, and ice hockey competitions.

Construction of the REC-PLEX was originally funded by a combination of private corporate donations and a portion of the proceeds from a \$16,000,000 general obligation (G.O.) bond issue issued in February 1993. Major St. Louis corporations had a strong desire to construct world class competitive swimming and diving facilities in the St. Louis metropolitan area. To that end, these corporations donated approximately \$4,500,000 toward the REC-PLEX project. An additional \$1,000,000 was pledged by local businesses and individuals. Approximately \$2,000,000 of these donations were deposited in a permanent endowment fund, the City of St. Peters' Natatorium Foundation, the earnings of which will be used to defray operating expenses of the facility.

The G. O. bonds are linked to a 581-acre Tax Increment Financing (TIF) District that includes the REC-PLEX site. As this economic development district develops, the incremental tax revenue generated by this development will be used to satisfy debt service on the general obligation bonds. To the extent that these incremental revenues are not available, the bonds will be supported as typical G. O. bonds.

The most significant project during fiscal year 1998 was the completion of the renovations to the outdoor in-line skating rink that enabled the rink to be utilized for either ice-skating or in-line skating. The rink was enclosed to allow indoor ice-skating during the winter months, and in-line skating during the spring and summer months

During fiscal year 1998 the REC-PLEX was the site of the Boys State High School Swimming and Diving Championships for the first time. This event went so well that during 1999, both the Boys and the Girls State High School Swimming and Diving Championships will be held at the REC-PLEX. Other events that will be held at the REC-PLEX include the USA Hockey 1999 National Bantam Tier II Hockey Championship, the USS Junior National Championships,

the US Diving Junior National Championships, the US Open Synchronized Swimming Championships, and the swimming, figure skating and Tae Kwon Do portions of the State Games of America.

Parks

The City made improvements to many of the parks during fiscal year 1998. Some of the most significant projects included improvements to City Centre Lake, a new bridge at Dardenne Park, the overlay of a basketball court at Laurel Park, and the continuation of the City's street tree program.

During fiscal year 1998, the rangers implemented a mounted patrol that includes two horses to patrol the parks and trails. They also represent the City at special events including parades, events at the REC-PLEX, and other special events. The mounted patrol has also been involved in various school programs. Also implemented was the concert in the parks program. Four concerts were held at Laurel Park during fiscal year 1998 with plans to hold eight to twelve during fiscal year 1999. Night fishing was added to the annual fishing tournament for resident children during fiscal year 1998. There were approximately one hundred participants for both events.

Fiscal year 1999 promises more improvements. There are plans to renovate three ballparks, to replace the horse corral and announcer stand at Lone Wolff Park, to upgrade lighting at several parks, to add new playground equipment and a new parking lot to Oak Creek Park, to add pavilions, concession stands, and restrooms to Woodlands Sports Park and Rabbit Run Park, and to continue the City's street tree program.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure 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. The internal control structure is 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.

Budgetary Controls

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. Activities of the general fund, special revenue funds, and debt service fund are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds. In addition, budgets for the water/sewer and solid waste operations are prepared on a basis similar to that of the general governmental funds in order to better manage these operations. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the individual fund level.

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 a purchase order or 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.

General Governmental Functions

The following schedule presents a budget basis summary of general fund, special revenue funds, and debt service fund revenues, expressed in thousands, for the fiscal year ended September 30, 1998, and the amount and percentage of increases and decreases in relation to prior year revenues.

Resources	Amount	Percent of Total	Increase (Decrease) From 1997	Percent of Increase (Decrease)
Taxes	\$23,676	66.38%	\$3,339	16.42%
Licenses and Permits	389	1.09%	13	3.46%
Interest	2,239	6.28%	621	38.38%
Intergovernmental	4,792	13.44%	492	11.44%
Fines and Forfeitures	762	2.14%	62	8.86%
Charges for Services	3,525	9.88%	511	16.95%
Miscellaneous	283	0.79%	65	29.82%
Total	\$35,666	100.00%	\$5,103	

The most significant revenue source for general governmental functions is taxes. Historically tax revenues included a combination of four distinct resources: sales tax, property tax, utility franchise taxes, and the cigarette tax. Table 3 in the statistical section of this Comprehensive Annual Financial Report details a 10-year history of these revenues. During fiscal year 1998, the City recognized use tax revenue of approximately \$1.3 million which had been held by the state pending the outcome of legal action against the State of Missouri. The courts held that the tax was 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. The \$3.339 million increase in these revenues is primarily the result of the use tax recognition and increases in sales tax revenue and property tax revenue of approximately \$854,000 and \$1,020,000 respectively. These increases are the result of strong retail commercial growth.

Interest revenue in fiscal year 1998 was up approximately \$621,000 from the prior year. This is due primarily to the recognition of the interest of approximately \$468,000 earned on the use tax revenue while held by the state (explained above) and the interest earned on cash during the normal investments made by the City. During fiscal year 1998, returns on the normal investments ranged from a low of 5.39% to a high of 5.94%.

Intergovernmental revenues in fiscal year 1998 were approximately \$4.8 million. The most significant of these revenues were state motor vehicles fuel taxes and fees totaling approximately \$1.6 million, St. Charles County road and bridge taxes totaling approximately \$752,000, and approximately \$2.0 million from the Federal Government and St. Charles County for new road construction.

The increase in Fines and Forfeiture revenue is the result of a continued increased focus on traffic control in subdivisions. Charges for services increased as result of user fee, program, and concession revenue generated at the REC-PLEX.

The following schedule presents a summary of general fund, special revenue funds, and debt service fund budget basis expenditures, expressed in thousands, for the fiscal year ended September 30, 1998, and the percentage of increases and decreases in relation to prior year amounts.

Expenditures	Amount	Percent of Total	Increase (Decrease) From 1997	Percent of Increase (Decrease)
General Government Administration	\$640	1.83%	\$46	7.74%
Police	3,704	10.59%	204	5.83%
Municipal Court	5,142	14.70%	220	4.47%
Public Works	175	0.50%	51	41.13%
Engineering	4,142	11.84%	2,007	94.00%
Maintenance	1,409	4.03%	(12)	-0.84%
Health	709	2.03%	41	6.14%
Parks and Recreation	330	0.94%	(83)	-20.10%
Community Relations	5,550	15.87%	82	1.50%
Cultural/Civic Affairs	415	1.19%	11	2.72%
Street Improvements	295	0.84%	49	19.92%
Debt Service	10,076	28.81%	2,811	38.69%
Total	2,392	6.84%	4	0.17%
	\$34,979	100.00%	\$5,431	

Administration expenditures increased by approximately \$204,000 during 1998. The overall increase is in part comprised of capital expenditures that increased by approximately \$207,000 from the prior year. This is primarily related to data processing, network, and phone system upgrades. Administration salary and fringes increased by approximately \$170,000 due to pay increases, the addition of new personnel, and an increase in the City's contribution to the retirement plan. The above increases were offset by a decrease of approximately \$145,000 toward professional service expenditures. During the year ended September 30, 1997 a consultant was engaged to assist in selection of new financial and police data processing systems. No such expense was incurred during the year ended September 30, 1998.

In the Police Department, salaries and fringes increased by approximately \$398,000 which includes pay increases, the addition of eight officers, and an increase in the City's contribution to the retirement plan. Insurance increased by approximately \$26,000 and professional services increased by \$21,000 for architect fees related to the planned expansion of the police station. These increases were offset by decreases in capital expenditures and repair and maintenance of approximately \$236,000. These decreases were due in part to building improvements and parking expansion constructed in the prior fiscal year.

Public works expenditures increased by approximately \$2,007,000. Approximately \$639,000 is due to the reclassification of street overlay and repairs that were funded by the Transportation Trust Fund. During fiscal year 1998 these expenditures were shown in the Public Works classification, however, during fiscal year 1997 the \$639,000 was reflected in the Street Improvements classification. The City spent a total of approximately \$1,050,000 on street repairs in fiscal year 1998 resulting in an additional increase of approximately

\$410,000 for street overlay and repairs. Also, salary and fringe expenditures increased by approximately \$442,000 due to salary increases, the addition of new personnel, and the increase in the retirement plan contribution. Capital expenditures increased by approximately \$476,000 due to the acquisition of new vehicles, and machinery and equipment.

Health expenditures decreased by approximately \$83,000. This change was the result of the net effect of a \$26,000 increase in salary and fringe expenditures, a decrease of \$56,000 in professional service expenditures, a decrease of \$14,000 in supplies, and a decrease of \$41,000 in capital expenditures.

Expenditures for parks and recreation had a net increase of approximately \$82,000. Salaries and fringe increased by \$348,000 due to pay increases, staffing additions in the park ranger and park maintenance areas and an increase in the retirement plan contribution. Repairs and maintenance expenditures increased by \$57,000, supplies increased \$23,000, and insurance increased by \$22,000. These increases were offset by decreases of approximately \$35,000 for professional service expenditures and approximately \$338,000 in capital expenditures from fiscal year 1997. The higher capital expenditures in the prior year related to the Woodlands Park development.

Significant new road construction continued in fiscal year 1998. Approximately \$10,076,000 was spent on new construction in fiscal year 1998. Major projects included the widening of McClay Road (from Harvester to Woodbriar), and the development of the Executive Center Parkway Overpass.

Fund Balance

On a budget basis, the fund balances of the general, special revenue, and debt service funds remained strong in fiscal year 1998. These fund balances are necessary for implementation of the long-range plan of the City. For instance, in the special revenue Transportation Trust Fund, several major road construction projects are planned for the next several fiscal years. In the General Fund, these accumulated funds will aid in meeting community needs in areas such as solid waste management, and provide funding for additional capital projects. Sound financial planning has allowed the City to keep pace with community needs while maintaining a strong financial position. At the same time, the City has lowered its property tax rate by 7% from 1984 rates.

Enterprise Operations

The City's enterprise operations are comprised of four separate and distinct funds: the combined Waterworks/Sanitary Sewer Fund; the Solid Waste Fund; the City of St. Peters Public Improvement Corporation (the PIC); and the Central Materials Processing Facility (CMPF). The PIC was established in 1990 to finance capital projects of the City. The equipment and building that are used in

the solid waste collection operation were financed with a \$2,055,000 PIC bond issue. This equipment is leased to the City on an annual appropriations basis. The City is obligated for lease payments to the extent that such payments are budgeted in a given budget year. Holders of the PIC bonds have a security interest in the equipment and real property financed by these bonds.

City-provided residential trash collection operated at a deficit in fiscal year 1998. Budget basis operating revenues for the solid waste collection operation amounted to \$1,858,276. This increase is primarily attributable to the growth in number of customers during 1998. The cost of collection including capital expenditures and exclusive of depreciation amounted to \$2,147,402. This represents an increase of approximately \$330,000 from the previous year. Capital expenditures amounted to approximately \$495,000, an increase of approximately \$204,000 over fiscal year 1997. Three new collection vehicles were purchased at a cost of approximately \$460,000. Salaries and fringe expenditures increased by approximately \$102,000 from the prior year due to staffing increases, pay increases, and the increase in the retirement plan contribution. In addition, landfill disposal costs increased by approximately \$66,000.

The CMPF had its first full year of operations during fiscal year 1998. Operating revenues and operating expenses were \$1,335,470 and \$1,741,438, respectively. The operating deficit was covered by a contribution from the General Fund. Future profitability of this facility is dependent on a strong recycled materials market.

The waterworks/sanitary sewer operation maintained its sound financial condition in fiscal year 1998. On a budget basis, total revenues exceeded total expenses (exclusive of capital expenditures and debt service) by approximately \$460,000. Operating revenues and expenses increased by 3.7% and 3.3%, respectively. Water revenue and sewer revenue increased approximately \$54,000 and \$128,000, respectively. Salaries and fringe increased by approximately \$104,000 due to the addition of full-time personnel, pay increases and the increase in the retirement contribution. Water purchased from St. Louis increased by \$54,000 due to increased demand.

Debt Administration

At September 30, 1998, the City had a number of debt issues outstanding. These issues included \$23,240,000 of general obligation (G.O.) bonds, \$10,250,000 of water/sewer revenue bonds, and \$5,280,000 of PIC leasehold revenue bonds. The City continues to maintain its A1 rating from Moody's Investor Service on general obligation issues.

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, 1998, the City was well within this limit with a legal debt margin of \$35,954,189. 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 \$57,444,189 at September 30, 1998.

During fiscal year 1991, the PIC issued \$2,055,000 of leasehold revenue bonds. The bonds outstanding at September 30, 1998 total \$280,000. These revenue bonds do not constitute a legal debt or liability for the City and do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Concurrent with the issuance of these bonds, the City entered into a lease agreement whereby the assets acquired or constructed by the PIC have been leased to the City. The lease terminates each September 30, and can be renewed for a period of ten years. At the end of the ten-year period, these assets become the property of the City.

During fiscal year 1998, the PIC issued an additional \$5,000,000 of leasehold revenue bonds which were all outstanding at September 30, 1998. Proceeds of these bonds will be used to expand the police station, enclose the outdoor in-line rink, and construct renovations to the City Hall building. These revenue bonds do not constitute legal debt or liability for the City and do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Concurrent with the issuance of these bonds, the City entered into a lease agreement whereby the assets acquired or constructed by the PIC will be leased to the City. The lease terminates each September 30, and can be renewed for a period of twenty years. At the end of the twenty-year period, these assets 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.

Cash Management

Cash on hand during the year was invested in demand deposits, savings accounts, 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

Until June 30, 1998, The City, along with various other local municipal governments, participated in the Missouri Intergovernmental Risk Management Association (MIRMA), an insurance association for workers' compensation, general liability, and property and casualty insurance. The purpose of MIRMA is to distribute the cost of self-insurance over similar entities. MIRMA requires an annual premium payment to cover estimated claims payable and reserves for claims from each entity. The members of MIRMA have no legal interest in the assets, liabilities, or fund balances of the insurance association.

As of July 1, 1998, the City withdrew from MIRMA and initiated a self-insurance program for the City alone. The program is very similar to MIRMA in that the City limits the total losses on an individual and total claims basis through separate umbrella insurance policies. The cost of the new program is estimated to be approximately the same as under the MIRMA program.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of Rubin, Brown, Gornstein, & Company was retained by the City. The independent auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

Certificate of Achievement Award

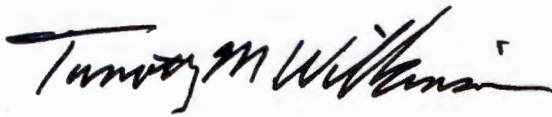
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Peters for our Comprehensive Annual Financial Report for the fiscal year ended September 30, 1997. In order to be awarded a 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. This is the seventh consecutive year that the City has received this prestigious award. 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, Mayor, and Board of Aldermen, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy M. Wilkinson". The signature is fluid and cursive, with a prominent initial "T" and "W".

Timothy M. Wilkinson
Assistant City Administrator

**City of St. Peters
Missouri**

Mayor
Thomas W. Brown

ALDERMEN

Ward I
**BETTY WOELFEL
JOYCE TOWNSEND**

Ward II
**JERRY HOLLINGSWORTH
JUDY BATEMAN**

Ward III
**LEN PAGANO
BRUCE HOLT**

Ward IV
**DONALD AYLES
LEWIS MCLAIN**

WILLIAM P. CHARNISKY
City Administrator

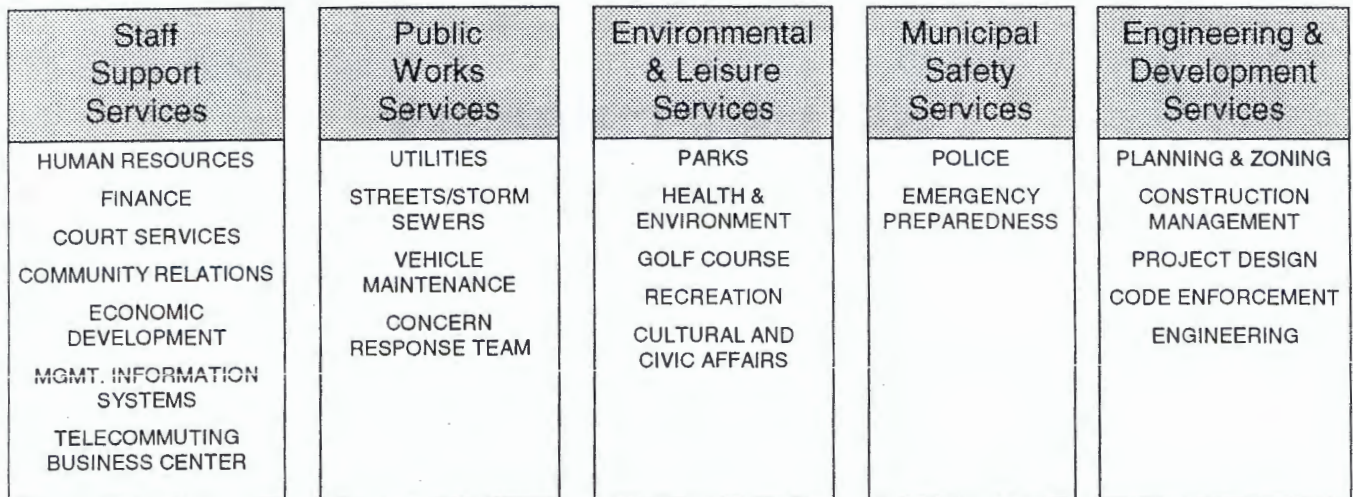
TIMOTHY M. WILKINSON
Asst. City Administrator

Organizational Structure St. Peters City Government



Mayor
Board of Aldermen

City Administrator



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, 1997

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.



Douglas R. Ellsworth
President

Jeffrey L. Essler
Executive Director



Part II - Financial Section



Independent Auditors' Report

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

We have audited the general purpose financial statements of the City of St. Peters, Missouri as of and for the year ended September 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue. The City of St. Peters has included such disclosures in Note 16. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the City's disclosures with respect to the year 2000 issue made in Note 16. Further, we do not provide assurance that the City is or will be year 2000 ready, that the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of St. Peters, Missouri at September 30, 1998, and the results of operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Rubin, Brown, Gornstein & Co. LLP	230 South Bemiston Avenue
Certified Public Accountants Business Consultants	St. Louis, MO 63105

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and individual account group financial statements and schedules listed in the table of contents, which are also the responsibility of the management of the City of St. Peters, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of St. Peters, Missouri. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole. The statistical section has not been subjected to the procedures applied in the audit of the general purpose financial statements and, accordingly, we do not express an opinion on it.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated December 15, 1998 on our consideration of the City of St. Peter's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Rubin, Brown, Gornstein & Co. LLP

December 15, 1998



General Purpose Financial Statements

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CITY OF ST. PETERS, MISSOURI

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS September 30, 1998

	Governmental Fund Types				Proprietary Fund Type Enterprise	Fiduciary	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		Trust And	General	General	1998	1997
						Agency	Fixed Assets	Long-Term Debt		
Assets And Other Debits										
Cash and cash equivalents:										
Held by trustees	\$ —	\$ —	\$ —	\$ —	\$ 4,931,473	\$ 2,484,251	\$ —	\$ —	\$ 7,415,724	\$ 4,277,126
Unrestricted	8,349,284	18,158,294	1,203,749	1,681,756	854,996	—	—	—	30,248,079	33,643,072
Restricted	—	—	—	—	2,630,672	—	—	—	2,630,672	3,056,771
Investments:										
Restricted	—	—	—	—	1,373,693	—	—	—	1,373,693	1,375,444
Receivables, net of allowances where applicable:										
Taxes	1,623,100	418,910	45,982	—	—	—	—	—	2,087,992	1,961,228
Intergovernmental	361,593	2,424,533	—	—	1,500,000	—	—	—	4,286,126	2,697,149
Services	—	—	—	—	1,303,518	—	—	—	1,303,518	1,186,091
Accrued interest	36,044	52,563	—	2,396	49,243	18,513	—	—	158,759	187,673
Miscellaneous	204,572	207,661	—	—	446,573	—	—	—	858,806	354,048
Due from other funds	2,587,489	—	—	—	—	—	—	—	2,587,489	2,085,562
Investment in joint venture	—	—	—	—	2,617,881	—	—	—	2,617,881	2,659,829
Inventory/prepays	290,004	118,620	—	—	54,162	—	50,480,593	—	50,943,379	314,288
Property, plant and equipment, net of accumulated depreciation	—	—	—	—	40,145,560	—	—	—	40,145,560	89,069,059
Amount available for retirement of general obligation bonds	—	—	—	—	—	—	—	1,248,301	1,248,301	1,138,767
Amount to be provided for retirement of general obligation bonds	—	—	—	—	—	—	—	21,991,699	21,991,699	23,131,233
Total Assets And Other Debits										
Debits	\$ 13,452,086	\$ 21,380,581	\$ 1,249,731	\$ 1,684,152	\$ 55,907,771	\$ 2,502,764	\$ 50,480,593	\$ 23,240,000	\$ 169,897,678	\$ 167,137,340

	Governmental Fund Types				Proprietary Fund Type Enterprise	Fiduciary Fund Types Trust And Agency	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects			General Fixed Assets	General Long-Term Debt	1998	1997
Liabilities, Equity And Other Credits										
Liabilities										
Accounts payable	\$ 1,375,148	\$ 1,763,719	\$ 1,430	\$ 135,407	\$ 545,794	\$ —	\$ —	\$ —	\$ 3,821,498	\$ 3,125,666
Accrued payroll	573,096	62,726	—	—	97,887	—	—	—	733,709	436,557
Accrued vacation	463,942	53,945	—	—	108,146	—	—	—	626,033	576,223
Accrued interest payable	—	—	—	—	331,087	—	—	—	331,087	300,453
Deposits held for others/guarantee bonds	—	124,415	—	—	71,800	—	—	—	196,215	169,149
Due to other funds	—	5,558	—	—	2,581,931	—	—	—	2,587,489	2,085,562
Deferred revenue	82,122	890,927	46,195	—	—	—	—	—	1,019,244	4,294,850
Revenue bonds payable	—	—	—	—	15,289,783	—	—	—	15,289,783	11,319,056
General obligation bonds payable	—	—	—	—	—	—	—	23,240,000	23,240,000	24,270,000
Deferred compensation benefits payable	—	—	—	—	—	—	—	—	—	1,924,668
Other liabilities	493,972	652	—	—	72,845	—	—	—	567,469	452,373
Total Liabilities	2,988,280	2,901,942	47,625	135,407	19,099,273	—	—	23,240,000	48,412,527	48,954,557
Equity And Other Credits										
Investment in general fixed assets	—	—	—	—	—	—	50,480,593	—	50,480,593	48,975,734
Contributed capital	—	—	—	—	21,372,752	—	—	—	21,372,752	22,019,934
Retained earnings:										
Reserved for revenue bond requirements	—	—	—	—	4,004,365	—	—	—	4,004,365	4,432,215
Unreserved	—	—	—	—	11,431,381	—	—	—	11,431,381	10,302,232
Fund balances:										
Reserved for:										
Encumbrances	662,616	5,582,342	—	—	—	—	—	—	6,244,958	3,741,769
Capital improvements	—	304,719	—	—	—	—	—	—	304,719	251,237
Stormwater management	264,026	—	—	—	—	—	—	—	264,026	242,016
Inventory/prepays	290,004	118,620	—	—	—	—	—	—	408,624	277,771
Spencer Creek land sales	53,750	—	—	—	—	—	—	—	53,750	53,750
Other projects	228,631	29,100	—	—	—	—	—	—	257,731	287,070
Natatorium Foundation	—	—	—	—	—	2,502,764	—	—	2,502,764	2,367,759
Unreserved - undesignated	8,964,779	12,443,858	1,202,106	1,548,745	—	—	—	—	24,159,488	25,231,296
Total Equity And Other Credits	10,463,806	18,478,639	1,202,106	1,548,745	36,808,498	2,502,764	50,480,593	—	121,485,151	118,182,783
Total Liabilities, Equity And Other Credits	\$ 13,452,086	\$ 21,380,581	\$ 1,249,731	\$ 1,684,152	\$ 55,907,771	\$ 2,502,764	\$ 50,480,593	\$ 23,240,000	\$ 169,897,678	\$ 167,137,340

CITY OF ST. PETERS, MISSOURI

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES For The Year Ended September 30, 1998

	Governmental Fund Types				Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		1998	1997
Revenues							
Sales tax	\$ 9,120,067	\$ 4,669,292	\$ —	\$ —	\$ —	10,789,859	\$ 12,935,016
Use tax	859,376	429,640	—	—	—	1,289,016	—
Property tax	4,074,460	431,028	1,589,215	—	—	6,094,703	5,134,120
Utility franchise tax	2,221,927	1,978	—	—	—	2,223,905	2,077,544
Cigarette tax	252,456	—	—	—	—	252,456	224,199
Licenses and permits	388,883	—	—	—	—	388,888	375,905
Interest	800,959	1,338,774	99,107	132,952	101,504	2,478,296	1,880,054
Intergovernmental	2,727,397	2,359,092	—	—	—	5,086,489	4,484,076
Fines and forfeitures	761,982	—	—	—	—	761,982	700,143
Charges for services	355,423	3,230,096	—	—	—	3,585,519	3,013,697
Contributions	—	—	—	—	383	383	45,903
Miscellaneous	105,594	177,323	—	—	221,025	502,942	272,685
Total Revenues	21,668,524	12,637,223	1,688,322	132,952	322,912	36,449,933	31,143,342
Expenditures							
Current:							
General government	561,867	50,844	—	—	—	612,711	643,272
Administration	3,297,937	—	—	—	187,907	3,485,844	3,302,228
Police	5,012,479	22,463	—	—	—	5,034,942	4,674,647
Municipal court	173,871	—	—	—	—	173,871	122,810
Public works	2,057,084	—	—	—	—	2,057,084	2,003,911
Engineering	1,329,309	—	—	—	—	1,329,309	1,386,313
Maintenance	653,291	—	—	—	—	653,291	656,338
Health	349,800	—	—	—	—	349,800	345,540
Parks and recreation	1,884,222	4,550,580	—	—	—	6,434,802	4,801,042
Community relations	416,458	—	—	—	—	416,458	387,148
Cultural and Civic Affairs	270,237	—	—	—	—	270,237	241,795
Capital outlay	1,365,542	8,088,276	—	1,129,733	—	10,583,551	9,906,120
Debt service:							
Principal retirement	—	—	1,030,000	—	—	1,030,000	550,000
Interest and fiscal charges	—	416,552	900,372	—	—	1,316,924	1,254,360
Other	—	—	44,611	—	—	44,611	653,130
Total Expenditures	17,372,097	13,128,715	1,974,983	1,129,733	187,907	36,799,436	30,928,654
Revenues Over (Under) Expenditures	4,296,427	(491,492)	(286,661)	(996,781)	135,005	2,656,498	214,688
Other Financing Sources (Uses)							
Operating transfers in (out)	(1,539,100)	275,994	350,000	—	—	(913,106)	(553,298)
Proceeds from refunding debt issuance	—	—	—	—	—	—	7,116,798
Payment to escrow agent	—	—	—	—	—	—	(7,045,040)
Total Other Financing Sources (Uses)	(1,539,100)	275,994	350,000	—	—	(913,106)	(481,540)
Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	2,757,327	(215,498)	63,339	(996,781)	135,005	1,743,392	(266,852)
Fund Balances							
Beginning of year	7,706,479	18,694,137	1,138,767	2,545,526	2,367,759	32,452,668	32,719,520
End of year	\$ 10,463,806	\$ 18,478,639	\$ 1,202,106	\$ 1,548,745	\$ 2,502,764	\$ 34,196,060	\$ 32,452,668

CITY OF ST. PETERS, MISSOURI

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUNDS For The Year Ended September 30, 1998

	General			Special Revenue			Debt Service		
	Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues									
Sales tax	\$ 9,000,000	\$ 9,120,067	\$ 120,067	\$ 4,450,000	\$ 4,669,292	\$ 219,292	\$ —	\$ —	\$ —
Use tax	860,000	859,376	(624)	430,000	429,640	(360)	—	—	—
Property tax	4,086,203	4,095,443	9,240	350,000	431,028	81,028	1,572,629	1,594,491	21,862
Utility franchise tax	2,135,000	2,221,927	86,927	—	1,978	1,978	—	—	—
Cigarette tax	170,000	252,456	82,456	—	—	—	—	—	—
Licenses and permits	392,500	388,883	(3,617)	—	—	—	—	—	—
Interest	810,000	800,959	(9,041)	920,000	1,338,774	418,774	75,000	99,107	24,107
Intergovernmental	2,511,000	2,788,057	277,057	5,590,070	2,003,897	(3,586,173)	—	—	—
Fines and forfeitures	664,000	761,982	97,982	—	—	—	—	—	—
Charges for services	315,900	295,339	(20,561)	2,918,950	3,230,096	311,146	—	—	—
Miscellaneous	101,500	105,594	4,094	128,700	177,323	48,623	—	—	—
Total Revenues	21,046,103	21,690,083	643,980	14,787,720	12,282,028	(2,505,692)	1,647,629	1,693,598	45,969
Expenditures									
General government	616,079	589,303	26,776	—	50,834	(50,834)	—	—	—
Administration	4,321,135	3,703,678	617,457	—	—	—	—	—	—
Police	5,179,806	5,138,760	41,046	11,500	3,213	8,287	—	—	—
Municipal Court	178,949	174,753	4,196	—	—	—	—	—	—
Public works	2,826,539	2,360,112	466,427	2,318,034	1,782,230	535,804	—	—	—
Engineering	1,643,428	1,408,840	234,588	—	—	—	—	—	—
Maintenance	748,821	709,207	39,614	—	—	—	—	—	—
Health	421,136	330,495	90,641	—	—	—	—	—	—
Parks and recreation	4,616,950	2,293,333	2,323,617	3,662,283	3,257,518	404,765	—	—	—
Community relations	503,523	414,621	88,902	—	—	—	—	—	—
Cultural and Civic Affairs	330,186	294,550	35,636	—	—	—	—	—	—
Street construction	—	—	—	21,587,177	10,076,003	11,511,174	—	—	—
Debt service	—	—	—	400,000	416,552	(16,552)	1,993,025	1,974,983	18,042
Total Expenditures	21,386,552	17,417,652	3,968,900	27,978,994	15,586,350	12,392,644	1,993,025	1,974,983	18,042
Revenues Over (Under) Expenditures	(340,449)	4,272,431	4,612,880	(13,191,274)	(3,304,322)	9,886,952	(345,396)	(281,385)	64,011
Other Financing Sources (Uses)									
Operating transfers in (out)	(2,020,292)	(1,539,100)	481,192	271,764	275,994	4,230	350,000	350,000	—
Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses	(2,360,741)	2,733,331	5,094,072	(12,919,510)	(3,028,328)	9,891,182	4,604	68,615	64,011
Fund Balances									
Budget basis:									
Unreserved:									
Beginning of year	6,431,761	6,431,761	—	16,269,831	16,269,831	—	1,179,686	1,179,686	—
Transfer (to) from reserved	(44,000)	(115,773)	(71,773)	—	(53,482)	(53,482)	—	—	—
End of year	4,027,020	9,049,319	5,022,299	3,350,321	13,188,021	9,837,700	1,184,290	1,248,301	64,011
Reserved:									
Beginning of year	717,921	717,921	—	280,337	280,337	—	—	—	—
Transfer (to) from unreserved	44,000	115,773	71,773	—	53,482	53,482	—	—	—
End of year	761,921	833,694	71,773	280,337	333,819	53,482	—	—	—
Budget basis, end of year	\$ 4,788,941	9,883,013	\$ 5,094,072	\$ 3,630,658	13,521,840	\$ 9,891,182	\$ 1,184,290	1,248,301	\$ 64,011
Encumbrances, end of year		662,616			5,582,342				
Property Tax - Deferred revenue, end of year		(81,247)			—			(46,195)	
Intergovernmental - Deferred revenue, end of year		(576)			(625,543)			—	
GAAP basis, end of year		\$ 10,463,806			\$ 18,478,639			\$ 1,202,106	

CITY OF ST. PETERS, MISSOURI

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY - PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

For The Year Ended September 30, 1998
(With Comparative Totals For Year Ended September 30, 1997)

	1998	1997
Operating Revenues		
Water	\$ 2,524,728	\$ 2,470,281
Sewer	2,375,571	2,247,506
Solid waste	1,787,294	1,712,611
Tap-on fees	352,923	378,448
Tipping fees	536,548	212,999
Rental income	39,160	37,000
Recycling income	800,845	313,526
Miscellaneous	742,731	802,925
Total Operating Revenues	9,159,800	8,175,296
Operating Expenses		
Personnel costs	3,381,695	2,590,305
Depreciation	2,539,325	2,224,871
Utilities	413,266	377,661
Purchased water	756,221	702,086
Wastewater treatment costs	77,092	59,051
Landfill fees	451,879	385,544
Repairs and maintenance	635,104	458,089
Chemicals and supplies	212,268	75,018
Professional services	479,524	585,497
Office expense	108,583	210,925
Insurance	109,786	31,130
Gasoline and fuel	75,465	81,313
Bad debts	24,660	17,601
Rent	51,378	70,793
Miscellaneous	547,532	241,613
Total Operating Expenses	9,863,778	8,111,497
Operating Income (Loss)	(703,978)	63,799
Nonoperating Revenues (Expenses)		
Interest on investments	309,862	348,814
Bond interest and fees	(748,571)	(757,756)
Amortization of bond issue costs	(35,206)	(33,971)
Equity loss in joint venture	(41,947)	(42,091)
Nonoperating Expenses, Net	(515,862)	(485,004)
Loss Before Operating Transfers In	(1,219,840)	(421,205)
Operating Transfers In	913,106	553,298
Net Income (Loss)	(306,734)	132,093
Depreciation on contributed assets	1,008,033	938,268
Increase In Retained Earnings	701,299	1,070,361
Fund Equity		
Contributed capital:		
Beginning of year, as previously reported	22,019,934	21,152,150
Contributions:		
Developers, net	360,851	524,362
Other governmental agencies	—	1,281,690
Depreciation on contributed assets	(1,008,033)	(938,268)
End of year	21,372,752	22,019,934
Retained earnings:		
Beginning of year, as previously reported	14,734,447	13,664,086
Increase in retained earnings	701,299	1,070,361
End of year	15,435,746	14,734,447
Total Fund Equity	\$ 36,808,498	\$ 36,754,381

CITY OF ST. PETERS, MISSOURI

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

**For The Year Ended September 30, 1998
(With Comparative Totals For Year Ended September 30, 1997)**

	1998	1997
Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities		
Operating income (loss)	\$ (703,978)	\$ 63,799
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	2,539,325	2,224,871
Change in assets and liabilities:		
Decrease in investments	1,751	—
Increase in services receivable	(19,659)	(31,018)
Increase in miscellaneous receivables	(355,901)	(45,259)
Increase in inventory	(17,287)	(36,467)
(Increase) decrease in other assets	(358)	210
Increase (decrease) in accounts payable	31,172	(438,286)
Increase in accrued payroll	29,320	9,998
Increase in accrued vacation	6,758	21,568
Increase in deposits held for others	3,575	875
Increase in other liabilities	25,463	14,151
Total Adjustments	2,244,159	1,720,643
Net Cash Provided By Operating Activities	1,540,181	1,784,442
Cash Flows Provided By Noncapital Financing Activities		
Operating transfers in	913,106	553,298
Advances on interfund balances	496,369	2,085,562
Net Cash Provided By Noncapital Financing Activities	1,409,475	2,638,860
Cash Flows From Capital And Related Financing Activities		
Proceeds from issue of revenue bonds	4,895,530	—
Principal paid on revenue bonds	(955,000)	(910,000)
Interest paid on revenue bonds	(751,839)	(776,538)
Acquisition and construction of capital assets	(2,201,815)	(6,051,707)
Net Cash Provided By (Used In) Capital And Related Financing Activities	986,876	(7,738,245)
Cash Flows From Investing Activities		
Interest on investments	311,413	359,654
Net Increase (Decrease) In Cash And Cash Equivalents	4,247,945	(2,955,289)
Cash And Cash Equivalents - Beginning Of Year	4,169,196	7,124,485
Cash And Cash Equivalents - End Of Year	\$ 8,417,141	\$ 4,169,196

Noncash investing, capital and financing activities: During fiscal year 1998, the waterworks/sanitary sewer fund received \$360,851 in contributed water and sewer transportation lines from developers.

CITY OF ST. PETERS, MISSOURI

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS September 30, 1998

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 sanitation, residential trash collection, recreation, community development, health, planning and zoning, and general administrative expenses.

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

Reporting Entity

The City defines its reporting entity in accordance with Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. The criteria used in determining the scope of the entity for financial reporting purposes includes, but is not limited to, the method of budget adoption, taxing authority, whether debt is secured by revenues or general obligations of the City, the obligation of the City to finance any deficits that may occur, and supervision over the accounting functions.

Component units are organizations for which the City, as the primary government, is financially accountable. To be considered financially accountable, the organization must be fiscally dependent on the City or the City must appoint a majority of the board of the organization and either 1) be able to impose its will on the organization or 2) the relationship must have the potential for creating a financial benefit or imposing a financial burden of the City.

Based on the foregoing, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or dependent on the City. Accordingly, the City of St. Peters Public Improvement Corporation (the PIC) and the City of St. Peters Natatorium Foundation, separate not-for-profit corporations, have been reported as component units of the City and blended as a separate enterprise fund and an expendable trust fund, respectively.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

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 City of St. Peters Natatorium Foundation was formed in November 1993 for the purpose of accepting contributions from the community and using the resources to fund improvements to the St. Peters Rec-Plex facility. There are no separate financial statements issued for these component units.

Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the general purpose financial statements. The following fund types and account groups are used by the City:

Governmental Fund Types

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 fund types:

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

Special Revenue - 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.

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.

Capital Projects - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary fund type).

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

Proprietary Fund Type - Enterprise

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance. 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 provide water and sewer treatment, solid waste collection, solid waste processing and public improvement financing services.

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 of following all Financial Accounting Standards Board (FASB) standards issued after November 30, 1989, unless the latter conflict with or contradict GASB pronouncements. The City elected not to follow FASB standards issued after such date.

Fiduciary Fund Types - Trust And Agency Funds

Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. When the assets are held under the terms of a formal trust agreement, a trust fund is used. Agency funds generally are used to account for assets that the City holds on behalf of others and are purely custodial in nature.

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term debt as follows:

General Fixed Assets Account Group - This group of accounts is established to account for all fixed assets of the City, other than those accounted for in the proprietary fund type.

General Long-Term Debt Account Group - This group of accounts is established to account for all long-term debt of the City, except debt accounted for in the proprietary fund type.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

Basis Of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increase (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

The City records transactions during the year on the modified accrual basis of accounting for governmental fund types, the expendable trust fund and the agency fund, and the accrual basis of accounting for the proprietary fund type.

Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term "available" is defined as collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the related fund liability is incurred, except for interest on general obligation debt which is recognized when due.

Licenses, permits, fines, fees, and miscellaneous revenues (except interest on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest on investments is recorded as earned since it is measurable and available. Property taxes, utilities franchise taxes, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and recognized as revenue at that time. Property tax revenue is recognized to the extent it is collected within the current period or expected to be collected within 60 days following the end of the current year.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

Under the accrual basis of accounting used by the proprietary fund type, revenues are recognized when earned and expenses are recognized when incurred. Within the City's waterworks/sanitary sewer fund, an estimated amount has been recorded for services rendered but not billed as of the close of the fiscal year. The receivable was determined by taking the subsequent cycle billings and prorating the amount of days applicable to the current fiscal year.

Budgetary Data

The Board of Aldermen follow the procedures outlined below in establishing the budgetary data reflected in the general purpose 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 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.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

6. Unencumbered appropriations lapse at year-end.

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

- For GAAP purposes, expenditures are recognized as incurred, whereas the City's budget basis recognizes encumbrances outstanding at year-end as expenditures of the current period. Accordingly, expenditures in the budget and actual comparisons (budget basis) for the general fund are more than expenditures in the combined statement of revenues, expenditures, and changes in fund balances by \$45,555 for the general fund and greater than expenditures in the combined statement of revenues, expenditures and changes in fund balances by \$2,457,635 for the special revenue funds. Encumbered appropriations do not lapse at year-end.
- Grant revenue is generally recognized when the qualifying expenditures are incurred. Due to the City's policy of recognizing encumbrances outstanding at year end as expenditures, certain grant revenues have also been recognized for budget purposes. Accordingly, intergovernmental revenue in the budget and actual comparisons (budget basis) for the special revenue funds is less than intergovernmental revenue in the combined statement of revenues, expenditures and changes in fund balances - all governmental fund types by \$355,195.
- Property tax revenue is recognized 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 budget and actual comparisons (budget basis) for the general fund is more than the corresponding revenues in the combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types by \$20,983. The Debt Service Fund's property tax revenues on a budget basis were \$5,276 more than the corresponding revenues in the combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements *(Continued)*

Prepaid Items

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

Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

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 by the governmental fund types. 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.

Fixed Assets And Depreciation

General Fixed Assets Account Group

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and capitalized at historical cost in the general fixed assets account group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain improvements other than buildings including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

No depreciation has been provided on general fixed assets.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Proprietary Fund Type

Property, plant and equipment acquired by the proprietary fund type is stated at cost, including interest capitalized during construction, where applicable. Contributed fixed assets are recorded at fair market value at the date received. Depreciation on assets acquired through contributions is charged to contributed capital.

Depreciation is provided using the straight-line method over the estimated useful lives of the property as follows:

	<u>Years</u>
Plant and structures	20
Water and sewer lines	50
Machinery and equipment	3 - 5

Bond Discounts/Issuance Costs

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Both bond discounts and issuance costs are presented as a reduction of the face amount of bonds payable.

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 earned and any unused accumulated vacation is payable to employees upon termination. Accrued vacation is recorded in the respective governmental or proprietary fund type from which it will be paid. Sick leave benefits do not vest and are recorded as expenditures when paid.

Fund Equity

Contributed Capital

Contributed capital in the enterprise funds consist primarily of that portion of property, plant and equipment which was financed through government contributions and through Federal and state grant revenues. Federal and state grants are generally recognized as contributed capital when the related expenditure is made and amounts become subject to claim for reimbursement. Depreciation recorded on property, plant and equipment acquired with contributed funds is charged to operations and closed to the related contributed capital account.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

Retained Earnings - Reserved

Reserved retained earnings of the enterprise funds consist of amounts segregated from operating funds in accordance with the terms of revenue bond requirements. The related assets are reflected as restricted.

Fund Balance - Reserved

Reserved fund balances of the governmental fund types consist of reserves for encumbrances and various capital improvement projects legally segregated for a specific future use.

Interfund Transactions

The City has the following types of transactions among funds:

Operating Transfers

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

Reimbursements

Reimbursement of expenditures made by one fund for another are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Equity Transfers

Nonroutine or nonrecurring transfers between funds are reported as additions to or deductions from fund balances of governmental fund types and additions or deductions of contributed capital or retained earnings, as appropriate, of the proprietary fund type.

Quasi-External Transactions

Charges or collections for services rendered by one fund for another are recognized as revenues of the recipient fund and expenditures or expenses of the disbursing fund. These transactions are recorded as quasi-external transactions because they would be treated as revenues and expenditures or expenses if they involved organizations external to the City.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

Intergovernmental Revenues

Resources received by the City from other governments are accounted for within applicable funds based on the purpose and requirements of each grant. Revenues are recognized on an accounting basis consistent with the fund's measurement objective.

Revenues related to expenditure-driven grants are recognized to the extent expenditures are incurred. Any excess or deficiency of grant revenues received compared to expenditures incurred is recorded as deferred revenue or amounts receivable from the grantor.

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.

Totals (Memorandum Only)

The totals (memorandum only) column is the aggregate of the fund types and account groups. No consolidating or other eliminations between the fund types or account groups were made in arriving at the total; thus, it is not intended to present consolidated information.

Interfund Eliminations

All significant interfund transactions between the PIC and other City enterprise funds have been eliminated.

Statement Of Cash Flows

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

2. Cash And Investments

Investments primarily consist of short-term U.S. government treasury and agency securities and certificates of deposit which are carried at cost or amortized cost. Certain investments of the Bond Reserve Fund in the enterprise fund are carried at cost, which approximates fair value in accordance with GASB Statement No. 31, *Accounting for Certain Investments and for External Investment Pools*.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Missouri state statutes authorize the City to invest in obligations of: the U.S. Treasury and U.S. Government agencies; the State of Missouri; and local governments in Missouri with populations greater than 400,000. Deposits in financial institutions must be collateralized by securities pledged to the City by these same institutions or covered by FDIC insurance.

Cash deposits with financial institutions amounted to \$32,551,432. Bank balance was \$33,234,438 which, at the balance sheet date, \$32,487,741 was entirely insured or collateralized by securities held by the City's agent in the City's name and \$746,697 was uninsured and uncollateralized.

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 counterparty'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 counterparty, or by its trust department or agent, but not in the City's name.

	Category			Carrying Value	Market Value
	1	2	3		
Investments - U.S. Treasury obligations	\$ —	\$ 1,373,693	\$ —	\$ 1,373,693	\$ 1,383,032
Pooled investments:					
Government money market funds	—	—	—	5,258,792	5,258,792
Natatorium Endowment fund	—	—	—	2,484,251	2,484,251
Deposits	—	—	—	32,551,432	32,551,432
Total deposits and investments	\$ —	\$ 1,373,693	\$ —	\$ 41,668,168	\$ 41,677,507

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 \$.93 per \$100 of assessed valuation of which \$.66 is for general revenue purposes and \$.27 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 General Purpose Financial Statements (Continued)

4. Property, Plant And Equipment

The following represents a summary of changes in the general fixed assets account group for the year ended September 30, 1998:

	Balance - October 1, 1997	Additions	Deductions	Balance - September 30, 1998
Land	\$ 3,030,825	\$ —	\$ —	\$ 3,030,825
Buildings	29,556,024	41,080	—	29,597,104
Improvements	4,911,992	394,649	—	5,306,641
Equipment	7,967,378	755,378	67,276	8,655,480
Furniture and fixtures	896,684	55,526	1,091	951,119
Vehicles and other	2,612,831	546,260	219,667	2,939,424
	<u>\$ 48,975,734</u>	<u>\$ 1,792,893</u>	<u>\$ 288,034</u>	<u>\$ 50,480,593</u>

The following summarizes property, plant and equipment held by the enterprise funds at September 30, 1998:

	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Total
Land	\$ 469,534	\$ —	\$ —	\$ 513,103	\$ 982,637
Plant and structures	20,233,741	201,374	559,807	3,841,200	24,836,122
Water lines	15,129,935	—	—	—	15,129,935
Sewer lines	15,212,112	—	—	—	15,212,112
Machinery and equipment	2,282,381	854,445	2,111,378	1,261,007	6,509,211
Other fixed assets	26,468	—	1,914	73,476	101,858
Construction in Progress	—	—	762,592	—	762,592
Less: Accumulated depreciation	(20,505,103)	(441,757)	(1,816,915)	(625,132)	(23,388,907)
	<u>\$ 32,849,068</u>	<u>\$ 614,062</u>	<u>\$ 1,618,776</u>	<u>\$ 5,063,654</u>	<u>\$ 40,145,560</u>

5. Employees' Retirement System

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), *Accounting for Pensions by State and Local Governmental Employers*.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

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.

Funding Policy

The City's full-time employees do not contribute to the pension plan. The political subdivision is required by state statute to contribute at an actuarially determined rate; the current rate is 11.7% (general) and 13.0% (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 1998, the political subdivision's annual pension cost of \$1,169,776 was equal to the required and actual contributions. The required contribution was determined as part of the February 29, 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 18 years.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Three-Year Trend Information

Fiscal Year Ending	Annual Pension Costs (APC)	Percentage Of APC Contributed	Net Pension Obligation
June 30, 1996	\$ 636,204	100%	\$ 0
June 30, 1997	\$ 795,347	100%	\$ 0
June 30, 1998	\$ 1,169,776	100%	\$ 0

**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, 1994	\$ 5,854,675	\$ 6,697,914	\$ 843,239	87	\$ 6,237,758	14
February 29, 1995	6,523,034	7,985,029	1,461,995	82	6,932,347	21
February 28, 1996	7,833,366	9,160,729	1,327,363	86	8,270,610	16
February 28, 1997	9,444,778	11,507,835	2,063,057	82	10,046,410	21
February 28, 1998	11,708,155	13,047,779	1,339,624	90	11,488,884	12
February 28, 1998#	11,708,155	16,457,305	4,749,150	71	11,488,884	41

After benefit changes.

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.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

6. Long-Term Debt

The following is a summary of the City's long-term debt transactions for the year ended September 30, 1998, including the long-term debt obligations of the Public Improvement Corporation (see Note 7):

	General Obligation Bonds Payable	Revenue Bonds Payable
Balance - October 1, 1997	\$ 24,270,000	\$ 11,485,000
Bond Proceeds	—	5,000,000
Debt Retired	1,030,000	955,000
Balance - September 30, 1998	23,240,000	15,530,000
Less: Unamortized discount and bond issue costs	—	240,217
	<u>\$ 23,240,000</u>	<u>\$ 15,289,783</u>

General Obligation Bonds Payable

All general obligation bonds are recorded in the general long-term debt account group and are serviced through the debt service fund. These bonds are supported by a pledge of the City's full faith and credit. The related bond ordinances require a levy and collection of a tax on all taxable, tangible property within the City sufficient to pay the principal and interest on such bonds as they become due.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

General obligation bonds payable are as follows:

	Balance - October 1, 1997	Additions	Reductions	Balance - September 30, 1998
Park Improvement general obligation bonds dated December 1, 1982, 9.00% to 10.00%, interest payable March 1 and September 1, principal payable September 1	\$ 100,000	\$ —	\$ 100,000	\$ —
Highway general obligation bonds dated November 1, 1983, 8.80% to 9.25%, interest payable March 1 and September 1, principal payable March 1	1,250,000	—	375,000	875,000
Recreation Facilities general obligation bonds dated February 1, 1993, 4.00% to 5.85%, interest payable January 1 and July 1, principal payable January 1, beginning in 1996. No payment was required for 1998.	15,840,000	—	—	15,840,000
Refunding general obligation bonds dated February 26, 1997, 3.50% to 4.75%, interest payable March 1 and September 1, principal payable September 1, beginning in 1997	7,080,000	—	555,000	6,525,000
	<u>\$ 24,270,000</u>	<u>\$ —</u>	<u>\$ 1,030,000</u>	<u>\$ 23,240,000</u>

Revenue Bonds Payable (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.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Revenue bonds payable are comprised of the following individual issues:

	Balance - October 1, 1997	Additions	Reductions	Balance - September 30, 1998
Combined Waterworks and Sewerage System Refunding Revenue Bonds Series 1992A (Tax Exempt), (1992 Revenue Bonds Series A) dated June 10, 1992, 3.5% to 6.25%, interest payable November 1 and May 1, principal payable November 1, through 2009	\$ 7,205,000	\$ —	\$ 500,000	\$ 6,705,000
Combined Waterworks and Sewerage System Refunding Revenue Bonds Series 1992B (Taxable), (1992 Revenue Bonds Series B) dated June 10, 1992, 3.95% to 8.10%, interest payable November 1 and May 1, principal payable November 1, through 2005	3,870,000	—	325,000	3,545,000
	<u>\$ 11,075,000</u>	<u>\$ —</u>	<u>\$ 825,000</u>	10,250,000
Less: Unamortized discount and bond issue costs				<u>133,110</u>
				<u>\$ 10,116,890</u>

The 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 ordinance (City Ordinance No. 1873) requires the establishment of certain cash reserve accounts which are described in Note 9.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Principal Requirements To Maturity (Excluding Public Improvement Corporation)

The annual principal requirements to maturity of bonded debt outstanding as of September 30, 1998 are as follows:

Year Ending September 30,	General Obligation Bonds			Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
1999	\$ 1,075,000	\$ 1,248,292	\$ 2,323,292	\$ 865,000	\$ 641,701	\$ 1,506,701
2000	1,140,000	1,181,905	2,321,905	910,000	587,915	1,497,915
2001	1,145,000	1,122,098	2,267,098	985,000	528,832	1,513,832
2002	1,190,000	1,069,277	2,259,277	1,045,000	463,317	1,508,317
2003	1,255,000	1,013,053	2,268,053	1,105,000	392,128	1,497,128
2004 and thereafter	17,435,000	5,598,463	23,033,463	5,340,000	865,846	6,205,846
	\$ 23,240,000	\$ 11,233,088	\$ 34,473,088	\$ 10,250,000	\$ 3,479,739	\$ 13,729,739

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:

	City Purposes Basic Limit	Streets And Sewer Addi- tional Limit
Assessed valuation - 1997 tax year	\$ 583,191,891	\$ 583,191,891
Debt limit - 10% of assessed valuation	\$ 58,319,189	\$ 58,319,189
Amount of debt applicable to debt limit:		
Total bonded debt	37,895,000	875,000
Less: Revenue bonds	15,530,000	—
Bond indebtedness applicable to debt limit	22,365,000	875,000
Legal debt margin	\$ 35,954,189	\$ 57,444,189

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

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 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.

Concurrent with the issuance of these 1990 Leasehold Revenue Bonds, the City entered into a lease agreement dated October 1, 1990 whereby the assets acquired or constructed by the PIC have been leased to the City. The lease terminates each September 30 and can be renewed for a period of ten years. At the end of the ten-year period, the assets are intended to become the property of the Solid Waste enterprise fund. 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 1990 Leasehold Revenue Bonds as they become due. For fiscal year 1998, the City made rental payments totaling \$147,852.

On July 1, 1998, the PIC issued \$5,000,000 of Leasehold Revenue Bonds, Series 1998. Proceeds from the sale of the bonds will be 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, 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.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Revenue bonds payable are comprised as follows:

	Balance - October 1, 1997	Additions	Reductions	Balance - September 30, 1998
Leasehold Revenue Bonds, Series 1990 (1990 Leasehold Revenue Bonds), dated October 25, 1990, 6.1% to 7.0%, payable in varying amounts through 2000	\$ 410,000	\$ —	\$ 130,000	\$ 280,000
Leasehold Revenue Bonds, Series 1998 (1998 Leasehold Revenue Bonds), dated July 1, 1998, 3.65% to 5.0%, payable in varying amounts through 2018	—	5,000,000	—	5,000,000
	\$ 410,000	\$ 5,000,000	\$ 130,000	5,280,000
Less: Unamortized discount and bond issue costs				107,107
				<u>\$ 5,172,893</u>

Annual principal and interest requirements to maturity on the 1990 and 1998 Leasehold Revenue Bonds as of September 30, 1998 are as follows:

Year ending September 30:	Principal	Interest	Total
1999	\$ 340,000	\$ 244,838	\$ 584,838
2000	355,000	228,035	583,035
2001	225,000	209,805	434,805
2002	235,000	200,918	435,918
2003	240,000	191,400	431,400
2004 and thereafter	3,885,000	1,523,330	5,408,330
	<u>\$ 5,280,000</u>	<u>\$ 2,598,326</u>	<u>\$ 7,878,326</u>

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose 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 has been issued and the proceeds have been 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 General Long-Term Debt Account Group. As of September 30, 1998, the amount of prior years' defeased debt outstanding but removed from the General Long-Term Debt Account Group amounted to \$8,720,000.

9. Enterprise Funds Revenue Bond Requirements

Cash and cash equivalents and investments restricted at September 30, 1998 are as follows:

Revenue fund	\$ 50,062
Operation and maintenance fund	—
1992A (Tax Exempt) and 1992B (Taxable)	
Bond and Interest Fund	1,071,051
Series 1992A (Tax exempt) Bond Reserve Fund	888,429
Series 1992B (Taxable) Bond Reserve Fund	596,598
Series 1990 Bond Reserve Fund	215,986
Depreciation Fund	225,000
Interest Reserve Fund	500,000
Contingency Fund	457,237
Cash held by Trustee	2
	<hr/>
	\$ 4,004,365

The 1990 Leasehold Revenue Bond documents and the City Ordinance No. 1873, which authorized the issuance of the combined Waterworks and Sewerage System refunding revenue bonds Series 1992A (Tax exempt) and 1992B (Taxable), 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:

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements *(Continued)*

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.

Series 1992A (Tax Exempt) 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 1992B (Taxable) Bond And Interest Fund

Requirements - monthly credit of one-sixth (1/6) of the interest due on the next 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 1992A (Tax Exempt) Bond Reserve Fund

Requirements - initial deposit of \$885,563 to be used only for the 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 this fund, the City will replenish the fund to \$885,563 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 1992A (Tax Exempt) bonds for redemption and payment prior to their maturity.

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.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

Series 1990 Bond Reserve Fund

Requirements - initial deposit of \$205,500 to be used only 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 to \$205,500 by depositing the amount necessary to restore the fund to the bond reserve requirement.

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.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

The City meets all related revenue bond reserve requirements.

10. Interfund Balances

Individual fund interfund receivable and payable balances (before similar fund-type eliminations) as of September 30, 1998 are as follows:

	<u>Amount</u>
Receivable Funds	
General Fund	<u>\$ 2,587,489</u>
Payable Funds	
Public Improvement Corporation	\$ 1,088,625
Solid Waste	64,535
Central Materials Processing Facility	1,423,213
Transportation	5,558
Waterworks/Sanitary Sewer	<u>5,558</u>
	<u>\$ 2,587,489</u>

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

11. Segments Of Enterprise Activities

The following represents key financial information concerning the enterprise funds for the fiscal year ended September 30, 1998:

	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility
Operating revenues	\$ 5,958,697	\$ 1,863,844	\$ 147,852	\$ 1,337,259
Operating expenses:				
Depreciation	1,847,098	149,947	122,327	419,953
Other	3,988,100	1,778,549	—	1,705,656
Operating income (loss)	123,499	(64,652)	25,525	(788,350)
Nonoperating revenues (expenses):				
Interest on investments	222,019	42,763	45,080	—
Interest expense	(674,677)	—	(73,894)	—
Other	(70,840)	—	(6,313)	—
Operating transfers in	—	—	—	913,106
Net income (loss)	(399,999)	(21,889)	(9,602)	124,756
Current capital contributions	360,851	—	—	—
Investment in joint venture	2,617,881	—	—	—
Property, plant and equipment additions	1,267,660	185,522	1,864,103	37,793
Net working capital (excluding current restricted assets and liabilities payable from restricted assets)	594,848	989,626	3,789,877	37,555
Total assets	40,686,573	1,756,836	6,779,107	6,739,125
Bonds and other long-term liabilities - payable from operating revenues	9,206,890	—	4,832,893	—
Fund equity:				
Contributed capital	16,364,940	85,166	—	4,922,646
Retained earnings (deficit)	13,286,557	1,518,880	451,746	178,563

12. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements *(Continued)*

During the year, the plans were amended to comply with amendments to Section 457 of the Internal Revenue Code. Trust provisions were incorporated so that plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. As a result, as of September 30, 1998, the assets and liabilities of the deferred compensation plans are no longer included in the accompanying general purpose financial statements. Previously, all amounts of compensation deferred, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights were (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the deferred compensation plans), subject only to the claims of the City's general creditors.

13. 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, 1998 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.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

During 1998, the City of St. Peters, Missouri purchased water from the Joint Venture and paid related pumping charges totalling \$719,205. These costs are included as operating expenses of the City's waterworks/sanitary sewer enterprise fund.

Condensed summary of financial information for the Joint Venture as of and for its fiscal year ended September 30, 1998 is as follows:

Assets	<u>\$ 8,126,806</u>
Liabilities	\$ 458,632
Partnership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Retained deficit:	
St. Peters	(465,220)
St. Charles	<u>(997,736)</u>
	<u>\$ 8,126,806</u>
Operating revenue	\$ 1,504,070
Operating expenses	1,667,426
Nonoperating revenue	<u>45,912</u>
Net Loss	<u>\$ (117,444)</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.

14. 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.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (Continued)

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.

At September 30, 1998, 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 \$314,748.

Changes in the self-insured claims liabilities at September 30, 1998 were as follows:

	Workers' Compensation/ General			Unemployment	Medical	Total		
Balance - October 1, 1997	\$	—	\$	61,657	\$	—	\$	61,657
Add: Current year claims and changes in estimate		66,250		12,375		945,985		1,024,610
Less: Claim payments		10,672		12,375		748,472		771,519
Balance - September 30, 1998	\$	55,578	\$	61,657	\$	197,513	\$	314,748

15. Expenditures Exceeding Appropriations And Retained Earning Deficit

During the year ended September 30, 1998, expenditures exceeded appropriations in the following funds:

Fund	Expenditures Over Budget
Special Allocation Fund	\$ 45
Tax Increment Financing Fund	67,341

16. Contingencies

Litigation

The City is a defendant in a number of 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.

Year 2000 Compliance (Unaudited)

Because many computerized systems use only two digits to record the year in the date fields (for example, the year 1998 is recorded as 98), such systems may not be able to process dates accurately in the year 2000 and thereafter. The effects of this problem will vary among systems and may adversely affect the City's operations as well as its ability to prepare financial statements.

The City of St. Peters has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting City operations. The City has divided the issue into three main areas:

Hardware

- PC Replacement Plan - the City implemented a policy that provides for PC replacement after five years, eliminating compliance issues of legacy equipment and reducing the magnitude of effort required to bring the City into compliance. In addition, all active PC's, both networked and standalone, at the City will be assessed, remediated, and tested and validated by the fourth quarter of 1999.

Software

- Financial reporting applications - Scheduled replacement by third quarter of 1999 to Y2K compliant applications.
- Parks and Recreation application - Scheduled upgrade of existing software in first quarter of 1999.
- Law Enforcement application - Planned replacement by fourth quarter of 1999 to Y2K compliant application.

CITY OF ST. PETERS, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

- Building Security/Access Control software - Scheduled upgrade of existing software in first quarter of 1999.
- PBX and Voice Mail Systems - Planned upgrade of existing software in first quarter of 1999.

Facility

- Y2K City committee has been formed to evaluate all non-traditional computer based interfaces relating to facilities including HVAC, traffic signals, water flow control devices, elevators, etc. The committee will begin meeting regularly after the first of the year to resolve all remaining issues. Each compliance area will be further reviewed and action taken as necessary to resolve remaining issues throughout 1999.

Because of the unprecedented nature of the Year 2000 Issue, its effects and successes of the related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City is or will be Year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be Year 2000 ready.

Supplementary Data



General Fund

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

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - BUDGET BASIS
GENERAL FUND**

For The Year Ended September 30, 1998

	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Sales tax	\$ 9,000,000	\$ 9,120,067	\$ 120,067
Use tax	860,000	859,376	(624)
Property tax	4,086,203	4,095,443	9,240
Utility franchise tax:			
Electric	1,480,000	1,577,940	97,940
Gas	525,000	505,207	(19,793)
Cablevision	130,000	138,780	8,780
	2,135,000	2,221,927	86,927
Cigarette	170,000	252,456	82,456
Licenses and permits	392,500	388,883	(3,617)
Interest	810,000	800,959	(9,041)
Intergovernmental	2,511,000	2,788,057	277,057
Fines and forfeitures	664,000	761,982	97,982
Charges for services	315,900	295,339	(20,561)
	4,863,400	5,287,676	424,276
Miscellaneous	101,500	105,594	4,094
Total Revenues	21,046,103	21,690,083	643,980
Expenditures	21,386,552	17,417,652	3,968,900
Revenues Over (Under) Expenditures	(340,449)	4,272,431	4,612,880
Other Financing Uses			
Operating transfers out	(2,020,292)	(1,539,100)	481,192
Revenues Over (Under) Expenditures And Other Financing Uses	(2,360,741)	2,733,331	5,094,072
Fund Balance:			
Unreserved:			
Beginning of year	6,431,761	6,431,761	—
Transfer to reserved	(44,000)	(115,773)	(71,773)
End of year	4,027,020	9,049,319	5,022,299
Reserved:			
Beginning of year	717,921	717,921	—
Transfer from unreserved	44,000	115,773	71,773
End of year	761,921	833,694	71,773
	\$ 4,788,941	\$ 9,883,013	\$ 5,094,072

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - BUDGET BASIS - GENERAL FUND For The Year Ended September 30, 1998

	Revised Budget	Actual	Variance - Favorable (Unfavorable)
General Government:			
Personal services	\$ 109,329	\$ 129,909	\$ (20,580)
Other	506,750	459,394	47,356
	616,079	589,303	26,776
Administration:			
Personal services	2,198,250	2,148,114	50,136
Capital outlay	973,885	467,974	505,911
Other	1,149,000	1,087,590	61,410
	4,321,135	3,703,678	617,457
Police:			
Personal services	4,551,376	4,525,742	25,634
Capital outlay	125,200	103,743	21,457
Other	503,230	509,275	(6,045)
	5,179,806	5,138,760	41,046
Municipal Court:			
Personal services	159,689	160,979	(1,290)
Capital outlay	800	882	(82)
Other	18,460	12,892	5,568
	178,949	174,753	4,196
Public Works:			
Personal services	1,337,809	1,305,290	32,519
Capital outlay	408,700	349,586	59,114
Other	1,080,030	705,236	374,794
	2,826,539	2,360,112	466,427
Engineering:			
Personal services	1,345,858	1,207,862	137,996
Capital outlay	92,035	80,816	11,219
Other	205,535	120,162	85,373
	1,643,428	1,408,840	234,588
Maintenance:			
Personal services	550,081	520,172	29,909
Capital outlay	68,130	56,706	11,424
Other	130,610	132,329	(1,719)
	748,821	709,207	39,614
Health:			
Personal services	330,181	273,909	56,272
Capital outlay	5,430	4,628	802
Other	85,525	51,958	33,567
	421,136	330,495	90,641
Parks And Recreation:			
Personal services	1,627,805	1,525,449	102,356
Capital outlay	2,600,025	379,756	2,220,269
Other	389,120	388,128	992
	4,616,950	2,293,333	2,323,617
Community Relations:			
Personal services	323,603	293,532	30,071
Capital outlay	3,000	2,285	715
Other	176,920	118,804	58,116
	503,523	414,621	88,902
Cultural And Civic Affairs:			
Personal services	177,486	155,807	21,679
Capital outlay	28,575	23,664	4,911
Other	124,125	115,079	9,046
	330,186	294,550	35,636
Total Expenditures	\$ 21,386,552	\$ 17,417,652	\$ 3,968,900

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Special Revenue Funds

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. The special revenue funds maintained by the City are as follows:

Transportation Trust Fund

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.

Drug Enforcement Agency Fund

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

Recreation Fund

Used to account for revenues restricted for recreation purposes.

Special Allocation Fund - City Centre

Used to account for revenues generated by the City Centre TIF district for the payment of debt service expenditures.

Special Allocation Fund - Old Town

Used to account for revenues generated by the Old Town Levy TIF district.

CITY OF ST. PETERS, MISSOURI

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS September 30, 1998

	Transportation Trust Fund	Drug Enforcement Agency Fund	Recreation Fund	Special Allocation Fund- City Centre	Special Allocation Fund- Old Town	Total
Assets						
Cash and cash equivalents - unrestricted	\$ 16,284,289	\$ 146,446	\$ 1,571,593	\$ 110,143	\$ 45,823	\$ 18,158,294
Receivables, net of allowances:						
Taxes	418,910	—	—	—	—	418,910
Intergovernmental	2,424,533	—	—	—	—	2,424,533
Accrued interest	46,972	1,083	4,508	—	—	52,563
Miscellaneous	7,037	—	50,285	148,463	1,876	207,661
Inventory/prepays	108,720	—	9,900	—	—	118,620
Total Assets	\$ 19,290,461	\$ 147,529	\$ 1,636,286	\$ 258,606	\$ 47,699	\$ 21,380,581
Liabilities And Fund Balances						
Liabilities						
Accounts payable	\$ 1,626,040	\$ 3,187	\$ 97,581	\$ 36,911	\$ —	\$ 1,763,719
Accrued payroll	15,783	—	46,943	—	—	62,726
Accrued vacation	22,584	—	31,361	—	—	53,945
Deposits/guarantee bonds	—	—	124,415	—	—	124,415
Due to other funds	—	—	5,558	—	—	5,558
Deferred revenue	675,018	—	65,982	148,051	1,876	890,927
Other liabilities	—	—	652	—	—	652
Total Liabilities	2,339,425	3,187	372,492	184,962	1,876	2,901,942
Fund Balances						
Reserved for encumbrances	5,529,912	—	52,430	—	—	5,582,342
Reserved for capital improvements	—	—	304,719	—	—	304,719
Reserved for inventory/prepays	108,720	—	9,900	—	—	118,620
Reserved for grants	—	—	—	—	—	—
Reserved for medical insurance	—	—	29,100	—	—	29,100
Unreserved - undesignated	11,312,404	144,342	867,645	73,644	45,823	12,443,858
Total Fund Balances	16,951,036	144,342	1,263,794	73,644	45,823	18,478,639
Total Liabilities And Fund Balances	\$ 19,290,461	\$ 147,529	\$ 1,636,286	\$ 258,606	\$ 47,699	\$ 21,380,581

CITY OF ST. PETERS, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
For The Year Ended September 30, 1998**

	Transportation Trust Fund	Drug Enforcement Agency Fund	Recreation Fund	Special Allocation Fund- City Centre	Special Allocation Fund- Old Town	Total
Revenues						
Sales tax	\$ 4,560,043	\$ —	\$ —	\$ 109,249	\$ —	\$ 4,669,292
Use tax	429,640	—	—	—	—	429,640
Property tax	—	—	—	386,937	44,091	431,028
Utility franchise tax	—	—	—	1,978	—	1,978
Interest	1,249,527	8,634	67,189	11,647	1,777	1,338,774
Intergovernmental	2,337,591	1,147	—	20,354	—	2,359,092
Charges for services	—	—	3,230,096	—	—	3,230,096
Miscellaneous	8,197	—	169,126	—	—	177,323
Total Revenues	8,584,998	9,781	3,466,411	530,165	45,868	12,637,223
Expenditures						
General government	—	—	10	50,789	45	50,844
Police	—	22,463	—	—	—	22,463
Parks and recreation	1,225,785	—	3,324,795	—	—	4,550,580
Capital outlay	8,088,276	—	—	—	—	8,088,276
Debt service	—	—	—	416,552	—	416,552
Total Expenditures	9,314,061	22,463	3,324,805	467,341	45	13,128,715
Revenues Over (Under) Expenditures	(729,063)	(12,682)	141,606	62,824	45,823	(491,492)
Other Financing Sources						
Operating transfers in	5,000	—	270,994	—	—	275,994
Revenues And Other Financing Sources Over (Under) Expenditures	(724,063)	(12,682)	412,600	62,824	45,823	(215,498)
Fund Balances						
Beginning of year	17,675,099	157,024	851,194	10,820	—	18,694,137
End of year	\$ 16,951,036	\$ 144,342	\$ 1,263,794	\$ 73,644	\$ 45,823	\$ 18,478,639

CITY OF ST. PETERS, MISSOURI

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - SPECIAL REVENUE FUNDS For The Year Ended September 30, 1998

	Transportation Trust Fund			Drug Enforcement Agency Fund			Recreation Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Sales tax	\$ 4,400,000	\$ 4,560,043	\$ 160,043	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Use tax	430,000	429,640	(360)	—	—	—	—	—	—
Property tax	—	—	—	—	—	—	—	—	—
Utility franchise tax	—	—	—	—	—	—	—	—	—
Interest	875,000	1,249,527	374,527	—	8,634	8,634	45,000	67,189	22,189
Intergovernmental	5,590,070	1,982,396	(3,607,674)	—	1,147	1,147	—	—	—
Charges for services	—	—	—	—	—	—	2,918,950	3,230,096	311,146
Miscellaneous	—	8,197	8,197	—	—	—	128,700	169,126	40,426
Total Revenues	11,295,070	8,229,803	(3,065,267)	—	9,781	9,781	3,092,650	3,466,411	373,761
Expenditures									
General government	—	—	—	—	—	—	—	—	—
Police	—	—	—	11,500	3,213	8,287	—	—	—
Public works	2,318,034	1,782,230	535,804	—	—	—	—	—	—
Parks and recreation	—	—	—	—	—	—	3,662,283	3,257,518	404,765
Street construction	21,587,177	10,076,003	11,511,174	—	—	—	—	—	—
Debt service	—	—	—	—	—	—	—	—	—
Total Expenditures	23,905,211	11,858,233	12,046,978	11,500	3,213	8,287	3,662,283	3,257,518	404,765
Revenues Over (Under) Expenditures	(12,610,141)	(3,628,430)	8,981,711	(11,500)	6,568	18,068	(569,633)	208,893	778,526
Other Financing Sources									
Operating transfers in	—	5,000	5,000	—	—	—	271,764	270,994	(770)
Revenues And Other Financing Sources Over (Under) Expenditures	(12,610,141)	(3,623,430)	8,986,711	(11,500)	6,568	18,068	(297,869)	479,887	777,756
Fund Balances									
Budget basis:									
Unreserved:									
Beginning of year	15,670,097	15,670,097	—	137,774	137,774	—	451,140	451,140	—
Transfers to reserved	—	—	—	—	—	—	—	(53,482)	(53,485)
End of year	3,059,956	12,046,667	8,986,711	126,274	144,342	18,068	153,271	877,545	128,536
Reserved:									
Beginning of year	—	—	—	—	—	—	280,337	280,337	—
Transfer from unreserved	—	—	—	—	—	—	—	53,482	53,482
End of year	—	—	—	—	—	—	280,337	333,819	53,482
Budget basis, end of year	<u>\$ 3,059,956</u>	<u>12,046,667</u>	<u>\$ 8,986,711</u>	<u>\$ 126,274</u>	<u>144,342</u>	<u>\$ 18,068</u>	<u>\$ 433,608</u>	<u>1,211,364</u>	<u>\$ 777,753</u>
Encumbrances, end of year	—	5,529,912	—	—	—	—	—	52,430	—
Deferred revenue, end of year	—	(625,543)	—	—	—	—	—	—	—
GAAP basis, end of year	<u>\$ 16,951,036</u>	<u>\$ 16,951,036</u>	<u>\$ 16,951,036</u>	<u>\$ 144,342</u>	<u>\$ 144,342</u>	<u>\$ 144,342</u>	<u>\$ 1,263,794</u>	<u>\$ 1,263,794</u>	<u>\$ 1,263,794</u>

(Continued)

CITY OF ST. PETERS, MISSOURI

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - SPECIAL REVENUE FUNDS For The Year Ended September 30, 1998

	Special Allocation Fund - City Centre			Special Allocation Fund - Old Town			Total		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:									
Sales tax	\$ 50,000	\$ 109,249	\$ 59,249	\$ —	\$ —	\$ —	\$ 4,450,000	\$ 4,669,292	\$ 219,292
Use tax	—	—	—	—	—	—	430,000	429,640	(360)
Property tax	350,000	386,937	36,937	—	44,091	44,091	350,000	431,028	81,028
Utility franchise tax	—	1,978	1,978	—	—	—	—	1,978	1,978
Interest	—	11,647	11,647	—	1,777	1,777	920,000	1,338,774	418,774
Intergovernmental	—	20,354	20,354	—	—	—	5,590,070	2,003,897	(3,586,173)
Charges for services	—	—	—	—	—	—	2,918,950	3,230,096	311,146
Miscellaneous	—	—	—	—	—	—	128,700	177,323	48,623
Total Revenues	400,000	530,165	130,165	—	45,868	45,868	14,787,720	12,282,028	(2,505,692)
Expenditures									
General government	—	50,789	(50,789)	—	45	(45)	—	50,834	(50,834)
Police	—	—	—	—	—	—	11,500	3,213	8,287
Public works	—	—	—	—	—	—	2,318,034	1,782,230	535,804
Parks and recreation	—	—	—	—	—	—	3,662,283	3,257,518	404,765
Street construction	—	—	—	—	—	—	21,587,177	10,076,003	11,511,174
Debt service	400,000	416,552	(16,552)	—	—	—	400,000	416,552	(16,552)
Total Expenditures	400,000	467,341	(67,341)	—	45	(45)	27,978,994	15,586,350	12,392,644
Revenues Over (Under) Expenditures	—	62,824	62,824	—	45,823	45,823	(13,191,274)	(3,304,322)	9,886,952
Other Financing Sources									
Operating transfers in	—	—	—	—	—	—	271,764	275,994	4,230
Revenues And Other Financing Sources Over (Under) Expenditures	—	62,824	62,824	—	45,823	45,283	(12,919,510)	(3,028,328)	9,891,182
Fund Balances									
Budget basis:									
Unreserved:									
Beginning of year	10,820	10,820	—	—	—	—	16,269,831	16,269,831	—
Transfers to reserved	—	—	—	—	—	—	—	(53,482)	(53,482)
End of year	10,820	73,644	62,824	—	45,823	45,823	3,350,321	13,188,021	9,837,700
Reserved:									
Beginning of year	—	—	—	—	—	—	280,337	280,337	—
Transfer from unreserved	—	—	—	—	—	—	—	53,482	53,482
End of year	—	—	—	—	—	—	280,337	333,819	53,482
Budget basis, end of year	<u>\$ 10,820</u>	<u>73,644</u>	<u>\$ 62,824</u>	<u>\$ —</u>	<u>45,823</u>	<u>\$ 45,823</u>	<u>\$ 3,630,658</u>	<u>13,521,840</u>	<u>\$ 9,891,182</u>
Encumbrances, end of year	—	—	—	—	—	—	—	5,582,342	—
Deferred revenue, end of year	—	—	—	—	—	—	—	(625,543)	—
Grant receivable adjustment	—	—	—	—	—	—	—	—	—
GAAP basis, end of year	<u>\$ 73,644</u>	<u>\$ 73,644</u>	<u>\$ 73,644</u>	<u>\$ 45,823</u>	<u>\$ 45,823</u>	<u>\$ 45,823</u>	<u>\$ 18,478,639</u>	<u>\$ 18,478,639</u>	<u>\$ 18,478,639</u>

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Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

The Rec-Plex fund is used to account for capital improvements for the construction of the City's recreational complex.

The Old Town Levy Fund is used to account for the City's share of capital improvements for the construction of a new Levy in St. Peters.

CITY OF ST. PETERS, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUNDS
For The Year Ended September 30, 1998**

	Rec-Plex Fund	Old Town Levy Fund	Total
Revenues			
Interest	\$ 1,602	\$ 131,350	\$ 132,952
Expenditures			
Capital Outlay:			
Design and general	1,083	129,319	130,402
Land and land improvement	—	996,919	996,919
Building/structure	519	—	519
Miscellaneous	—	1,893	1,893
Total Expenditures	1,602	1,128,131	1,129,733
Revenues Under Expenditures	—	(996,781)	(996,781)
Fund Balances			
Beginning of year	—	2,545,526	2,545,526
End of year	\$ —	\$ 1,548,745	\$ 1,548,745

Proprietary Fund Type - Enterprise Funds

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's operations for enterprise activities are:

Waterworks/Sanitary Sewer
Solid Waste
Public Improvement Corporation
Central Materials Processing Facility

CITY OF ST. PETERS, MISSOURI

COMBINING BALANCE SHEET - ENTERPRISE FUNDS September 30, 1998

	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Eliminations	Total
Assets						
Current Assets:						
Cash and cash equivalents:						
Held by trustees	\$ —	\$ —	\$ 4,931,473	\$ —	\$ —	\$ 4,931,473
Unrestricted	103,796	750,200	—	1,000	—	854,996
Restricted	2,414,686	—	215,986	—	—	2,630,672
Investments - restricted	1,373,693	—	—	—	—	1,373,693
Receivables, net of allowances:						
Intergovernmental	—	—	—	1,500,000	—	1,500,000
Services	922,316	381,202	—	—	—	1,303,518
Accrued interest	45,274	3,969	—	—	—	49,243
Miscellaneous	359,795	7,045	—	79,733	—	446,573
Inventory/prepays	—	—	—	53,754	—	53,754
Due from other funds	14	—	12,872	40,984	(53,870)	—
Total Current Assets	5,219,574	1,142,416	5,160,331	1,675,471	(53,870)	13,143,922
Investment in joint venture	2,617,881	—	—	—	—	2,617,881
Other assets	50	358	—	—	—	408
Property, plant and equipment	53,354,171	1,055,819	3,435,691	5,688,786	—	63,534,467
Less: Accumulated depreciation	20,505,103	441,757	1,816,915	625,132	—	23,388,907
Property, plant and equipment - net	32,849,068	614,062	1,618,776	5,063,654	—	40,145,560
Total Assets	\$ 40,686,573	\$ 1,756,836	\$ 6,779,107	\$ 6,739,125	\$ (53,870)	\$ 55,907,771
Liabilities And Fund Equity						
Liabilities						
Current Liabilities:						
Accounts payable	\$ 408,998	\$ 12,218	\$ —	\$ 124,578	\$ —	\$ 545,794
Accrued payroll	55,616	19,864	—	22,407	—	97,887
Accrued vacation	64,965	27,378	—	15,803	—	108,146
Accrued interest payable	278,130	—	52,957	—	—	331,087
Deposits held for others	71,800	—	—	—	—	71,800
Due to other funds	5,558	64,535	1,101,511	1,464,197	(53,870)	2,581,931
Current portion of revenue bonds payable (payable from restricted assets)	910,000	—	340,000	—	—	1,250,000
Other	33,119	28,795	—	10,931	—	72,845
Total Current Liabilities	1,828,186	152,790	1,494,468	1,637,916	(53,870)	5,059,490
Long-term portion of revenue bonds payable	9,206,890	—	4,832,893	—	—	14,039,783
Total Liabilities	11,035,076	152,790	6,327,361	1,637,916	(53,870)	19,099,273
Fund Equity:						
Contributed Capital:						
Other governmental agencies	5,592,115	85,166	—	4,922,646	—	10,599,927
Developers	10,772,825	—	—	—	—	10,772,825
Total Contributed Capital	16,364,940	85,166	—	4,922,646	—	21,372,752
Retained Earnings:						
Reserved for revenue bond requirements	3,788,379	—	215,986	—	—	4,004,365
Unreserved	9,498,178	1,518,880	235,760	178,563	—	11,431,381
Total Retained Earnings	13,286,557	1,518,880	451,746	178,563	—	15,435,746
Total Fund Equity	29,651,497	1,604,046	451,746	5,101,209	—	36,808,498
Total Liabilities And Fund Equity	\$ 40,686,573	\$ 1,756,836	\$ 6,779,107	\$ 6,739,125	\$ (53,870)	\$ 55,907,771

CITY OF ST. PETERS, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY - ENTERPRISE FUNDS For The Year Ended September 30, 1998

	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Eliminations	Total
Operating Revenues						
Water	\$ 2,524,728	\$ —	\$ —	\$ —	\$ —	\$ 2,524,728
Sewer	2,375,571	—	—	—	—	2,375,571
Solid waste	—	1,787,294	—	—	—	1,787,294
Tap-on fees	352,923	—	—	—	—	352,923
Tipping fees	—	—	—	536,548	—	536,548
Rental income	39,160	—	147,852	—	(147,852)	39,160
Recycling income	—	1,054	—	799,791	—	800,845
Miscellaneous	666,315	75,496	—	920	—	742,731
Total Operating Revenues	5,958,697	1,863,844	147,852	1,337,259	(147,852)	9,159,800
Operating Expenses						
Personnel costs	1,743,235	804,414	—	834,046	—	3,381,695
Depreciation	1,847,098	149,947	122,327	419,953	—	2,539,325
Utilities	359,303	9,459	—	44,504	—	413,266
Purchased water	756,221	—	—	—	—	756,221
Wastewater treatment costs	77,092	—	—	—	—	77,092
Landfill fees	—	451,879	—	—	—	451,879
Repairs and maintenance	399,224	200,703	—	35,177	—	635,104
Chemicals and supplies	32,276	606	—	179,386	—	212,268
Professional services	384,109	30,058	—	65,357	—	479,524
Office expense	75,289	33,294	—	—	—	108,583
Insurance	36,134	34,392	—	39,260	—	109,786
Gasoline and fuel	24,020	43,092	—	8,353	—	75,465
Bad debts	15,557	9,103	—	—	—	24,660
Rent	43,135	153,229	—	2,866	(147,852)	51,378
Miscellaneous	42,505	8,320	—	496,707	—	547,532
Total Operating Expenses	5,835,198	1,928,496	122,327	2,125,609	(147,852)	9,863,778
Operating Income (Loss)	123,499	(64,652)	25,525	(788,350)	—	(703,978)
Nonoperating Revenues (Expenses)						
Interest on investments	222,019	42,763	45,080	—	—	309,862
Bond interest and fees	(674,677)	—	(73,894)	—	—	(748,571)
Amortization of bond issue costs	(28,893)	—	(6,313)	—	—	(35,206)
Equity loss in joint venture	(41,947)	—	—	—	—	(41,947)
Total Nonoperating Revenues (Expenses)	(523,498)	42,763	(35,127)	—	—	(515,862)
Loss Before Operating Transfers In	(399,999)	(21,889)	(9,602)	(788,350)	—	(1,219,840)
Operating Transfers In	—	—	—	913,106	—	913,106
Net Income (Loss)	(399,999)	(21,889)	(9,602)	124,756	—	(306,734)
Depreciation on contributed assets	890,446	—	—	117,587	—	1,008,033
Increase (Decrease) In Retained Earnings	490,447	(21,889)	(9,602)	242,343	—	701,299
Fund Equity						
Contributed capital:						
Beginning of year	16,894,535	85,166	—	5,040,233	—	22,019,934
Contributions:						
Developers, net	360,851	—	—	—	—	360,851
Depreciation on contributed assets	(890,446)	—	—	(117,587)	—	(1,008,033)
End of year	16,364,940	85,166	—	4,922,646	—	21,372,752
Retained earnings:						
Beginning of year	12,796,110	1,540,769	461,348	(63,780)	—	14,734,447
Increase (decrease) in retained earnings	490,447	(21,889)	(9,602)	242,343	—	701,299
End of year	13,286,557	1,518,880	451,746	178,563	—	15,435,746
Total Fund Equity	\$ 29,651,497	\$ 1,604,046	\$ 451,746	\$ 5,101,209	\$ —	\$ 36,808,498

CITY OF ST. PETERS, MISSOURI

COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS For The Year Ended September 30, 1998

	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Total
Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities					
Operating income (loss)	\$ 123,499	\$ (64,652)	\$ 25,525	\$ (788,350)	\$ (703,978)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,847,098	149,947	122,327	419,953	2,539,325
Change in assets and liabilities:					
Decrease in investments	1,751	—	—	—	1,751
(Increase) decrease in services receivable	(96,371)	(21,056)	—	97,768	(19,659)
(Increase) decrease in miscellaneous receivables	(323,981)	1,714	—	(33,634)	(355,901)
Increase in inventory	—	—	—	(17,287)	(17,287)
Increase in other assets	—	(358)	—	—	(358)
Increase (decrease) in accounts payable	(26,915)	3,660	—	54,427	31,172
Increase in accrued payroll	11,612	4,949	—	12,759	29,320
Increase in accrued vacation	3,794	1,459	—	1,505	6,758
Increase in deposits held for others	3,575	—	—	—	3,575
Increase (decrease) in other liabilities	24,410	(5,346)	—	6,399	25,463
Total Adjustments	1,444,973	134,969	122,327	541,890	2,244,159
Net Cash Provided By (Used In) Operating Activities	1,568,472	70,317	147,852	(246,460)	1,540,181
Cash Flows From Noncapital Financing Activities					
Operating transfers in	—	—	—	913,106	913,106
Advances (payments) on interfund balances	5,544	17,663	1,101,831	(628,669)	496,369
Net Cash Provided By Noncapital Financing Activities	5,544	17,663	1,101,831	284,437	1,409,475
Cash Flows From Capital And Related Financing Activities					
Proceeds from issue of revenue bonds	—	—	4,895,530	—	4,895,530
Principal paid on revenue bonds	(825,000)	—	(130,000)	—	(955,000)
Interest paid on revenue bonds	(723,534)	—	(28,305)	—	(751,839)
Acquisition and construction of capital assets	(877,707)	(185,520)	(1,101,511)	(37,077)	(2,201,815)
Net Cash Provided By (Used In) Capital And Related Financing Activities	(2,426,241)	(185,520)	3,635,714	(37,077)	986,876
Cash Flows Provided By Investing Activities					
Interest on investments	224,802	41,531	45,080	—	311,413
Net Increase (Decrease) In Cash And Cash Equivalents	(627,423)	(56,009)	4,930,477	900	4,247,945
Cash And Cash Equivalents - Beginning Of Year	3,145,905	806,209	216,982	100	4,169,196
Cash And Cash Equivalents - End Of Year	\$ 2,518,482	\$ 750,200	\$ 5,147,459	\$ 1,000	\$ 8,417,141

Noncash investing, capital and financing activities: During fiscal year 1998, the waterworks/sanitary sewer fund received \$360,851 in contributed water and sewer transportation lines from developers.

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -
BUDGET BASIS - ENTERPRISE FUND -
WATERWORKS/SANITARY SEWER FUND -
(UTILITY OPERATING FUND)**

For The Year Ended September 30, 1998

	Revised Budget	Actual*	Variance - Favorable (Unfavorable)
Revenues			
Water and sewer	\$ 4,923,400	\$ 4,900,299	\$ (23,101)
Interest	200,000	200,363	363
Miscellaneous	472,110	400,334	(71,776)
Total Revenues	5,595,510	5,500,996	(94,514)
Expenses			
Personnel costs	1,804,451	1,743,235	61,216
Utilities	290,600	359,303	(68,703)
Purchased water	721,000	756,221	(35,221)
Wastewater treatment costs	95,500	77,092	18,408
Repairs and maintenance	344,100	353,896	(9,796)
Professional services	395,500	351,479	44,021
Gas and fuel	34,500	24,020	10,480
Rent	73,000	41,885	31,115
Supplies and other expenses	249,750	221,409	28,341
Total Expenses	4,008,401	3,928,540	79,861
Net Revenues Before Capital Expenditures And Debt Service And Fees	1,587,109	1,572,456	(14,653)
Capital expenditures	493,500	288,546	204,954
Debt service and fees	1,520,000	1,519,641	359
Revenues Under Expenses	\$ (426,391)	\$ (235,731)	\$ 190,660

* 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, 1998**

	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Trash collection	\$ 1,800,000	\$ 1,787,294	\$ (12,706)
Sale of recyclables	2,000	1,054	(946)
Miscellaneous	120,000	75,496	(44,504)
Interest	40,000	42,763	2,763
Total Revenues	1,962,000	1,906,607	(55,393)
Expenses			
Personnel costs	932,277	804,414	127,863
Utilities	11,980	9,459	2,521
Landfill fees	396,230	451,879	(55,649)
Repairs and maintenance	282,350	200,703	81,647
Capital expenditures	519,250	504,958	14,292
Professional services	30,500	30,058	442
Gas and fuel	55,680	43,092	12,588
Rent	162,220	153,229	8,991
Other expenses	76,000	87,623	(11,623)
Total Expenses	2,466,487	2,285,415	181,072
Revenues Under Expenses	\$ (504,487)	\$ (378,808)	\$ 125,679

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, 1998

	Revised Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Tipping fees	\$ 496,230	\$ 518,391	\$ 22,161
Recycling fees	390,000	383,734	(6,266)
Sale of recyclables	465,000	433,345	(31,655)
Miscellaneous	10,000	1,790	(8,210)
Total Revenues	1,361,230	1,337,260	(23,970)
Expenses			
Personnel costs	1,006,531	834,046	172,485
Landfill fees	361,367	413,298	(51,931)
Utilities	62,200	44,504	17,696
Capital expenditures	25,900	25,160	740
Professional services	19,500	65,357	(45,857)
Repairs and maintenance	74,600	35,288	39,312
Gas and fuel	12,500	8,353	4,147
Supplies and other expenses	187,160	315,432	(128,272)
Total Expenses	1,749,758	1,741,438	8,320
Revenues Under Expenses	\$ (388,528)	\$ (404,178)	\$ (15,650)

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General Fixed Assets Account Group

The Account Group is established to account for all fixed assets of the City, other than those accounted for in the proprietary funds.

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
September 30, 1998

General Fixed Assets

Land	\$ 3,030,825
Buildings	29,597,104
Improvements and construction in progress	5,306,641
Machinery and equipment	8,655,480
Furniture and fixtures	951,119
Vehicles and other	2,939,424
	<hr/>
Total General Fixed Assets	\$ 50,480,593
	<hr/> <hr/>

Investment In General Fixed Assets

General fund revenues	\$ 19,767,923
Special revenue fund revenues	771,103
General obligation bonds	29,607,834
Gifts	269,417
State grants	64,316
	<hr/>
Total Investment In General Fixed Assets	\$ 50,480,593
	<hr/> <hr/>

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY September 30, 1998

Function And Activity	Land	Buildings	Improvements	Machinery And Equipment	Furniture And Fixtures	Vehicles And Other	Total
General government	\$ 1,071,513	\$ 6,399,309	\$ 384,434	\$ 346,864	\$ 297,207	\$ —	\$ 8,499,327
Administration	41,305	2,406,875	564,719	3,803,605	200,371	138,658	7,155,533
Police	—	1,085,295	130,212	868,011	89,215	570,439	2,743,172
Public works	111,087	371,657	257,664	1,428,944	18,599	970,205	3,158,156
Engineering	—	—	7,486	229,801	54,049	390,566	681,902
Maintenance	—	—	113,579	208,977	4,875	58,363	385,794
Health	175,986	—	—	26,886	2,146	58,429	263,447
Parks and recreation	1,630,934	19,333,968	3,763,915	1,461,453	214,908	721,544	27,126,722
Community relations	—	—	84,632	280,939	69,749	31,220	466,540
	\$ 3,030,825	\$ 29,597,104	\$ 5,306,641	\$ 8,655,480	\$ 951,119	\$ 2,939,424	\$ 50,480,593

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION AND ACTIVITY For The Year Ended September 30, 1998

Function And Activity	Balance - October 1, 1997	Additions	Deductions	Balance - September 30, 1998
General government	\$ 8,499,327	\$ —	\$ —	\$ 8,499,327
Administration	6,941,890	247,422	33,779	7,155,533
Police	2,578,139	207,568	42,535	2,743,172
Public works	2,759,743	477,415	79,002	3,158,156
Engineering	555,401	165,411	38,910	681,902
Maintenance	362,427	40,930	17,563	385,794
Health	263,763	11,110	11,426	263,447
Parks and recreation	26,575,957	615,584	64,819	27,126,722
Community relations	439,087	27,453	—	466,540
	\$ 48,975,734	\$ 1,792,893	\$ 288,034	\$ 50,480,593



Part III - Statistical Section

CITY OF ST. PETERS, MISSOURI

Table 1

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION-BUDGET BASIS (1)
LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

<u>FUNCTION</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
General Government	\$640	\$594	\$848	\$660	\$1,102	\$861	\$811	\$532	\$846	\$543
Administration	3,704	3,500	3,643	2,617	2,511	2,044	1,625	1,547	1,221	1,321
Police	5,142	4,922	4,073	3,853	3,522	3,285	3,087	3,146	2,555	2,379
Municipal Court(2)	175	124	135	136	0	0	0	0	0	0
Public Works	4,142	2,135	2,570	2,390	2,403	2,489	1,999	1,837	1,524	1,688
Engineering	1,409	1,421	1,370	1,110	1,130	1,092	1,012	1,015	1,067	833
Maintenance	709	668	658	506	476	500	434	370	372	207
Health	330	413	309	463	203	181	135	171	115	111
Parks and Recreation	5,550	5,468	4,707	3,791	2,528	1,577	1,791	1,790	1,710	1,600
Community Relations	415	404	374	333	629	557	525	486	466	339
Cultural & Civic Affairs(3)	295	246	204	197	0	0	0	0	0	0
Street Improvements	10,076	7,265	6,176	8,765	2,339	2,815	525	1,282	4,899	6,776
Debt Service	<u>2,392</u>	<u>2,388</u>	<u>2,426</u>	<u>2,643</u>	<u>3,507</u>	<u>2,156</u>	<u>1,940</u>	<u>1,786</u>	<u>1,728</u>	<u>1,562</u>
Total	<u>\$34,979</u>	<u>\$29,548</u>	<u>\$27,493</u>	<u>\$27,464</u>	<u>\$20,350</u>	<u>\$17,557</u>	<u>\$13,884</u>	<u>\$13,962</u>	<u>\$16,503</u>	<u>\$17,359</u>

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

(2) Included as part of Police expenditures prior to fiscal year 1995.

(3) Included as part of Community Relations expenditures prior to fiscal year 1995.

CITY OF ST. PETERS, MISSOURI

Table 2

GENERAL GOVERNMENTAL REVENUES BY SOURCE-BUDGET BASIS (1)
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

<u>SOURCE</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>
Taxes	\$23,676	\$20,337	\$18,790	\$17,918	\$17,316	\$16,057	\$14,760	\$13,969	\$13,095	\$11,936
Licenses and Permits	389	376	402	415	344	286	230	269	356	284
Interest	2,239	1,618	1,647	1,661	1,097	940	1,009	1,201	1,640	1,450
Intergovernmental	4,792	4,300	4,801	8,301	3,447	1,760	1,713	1,759	2,568	6,170
Fines and Forfeitures	762	700	541	528	370	323	264	206	120	149
Charges for Services	3,525	3,014	2,610	2,455	624	303	594	565	487	426
Miscellaneous	<u>283</u>	<u>218</u>	<u>377</u>	<u>96</u>	<u>68</u>	<u>48</u>	<u>58</u>	<u>202</u>	<u>54</u>	<u>255</u>
Total	<u>\$35,666</u>	<u>\$30,563</u>	<u>\$29,168</u>	<u>\$31,374</u>	<u>\$23,266</u>	<u>\$19,717</u>	<u>\$18,628</u>	<u>\$18,171</u>	<u>\$18,320</u>	<u>\$20,670</u>

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

CITY OF ST. PETERS, MISSOURI

Table 3

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE-BUDGET BASIS (1)
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

SOURCE	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Sales Tax	\$13,789	\$12,935	\$11,750	\$11,437	\$11,010	\$9,796	\$8,818	\$8,187	\$7,656	\$7,020
Use Tax (2)	1,289	0	0	0	0	0	0	0	0	0
Property Tax	6,121	5,101	4,769	4,433	4,280	4,183	4,054	3,755	3,587	3,142
Utility Franchise Tax:										
Electric	1,580	1,428	1,445	1,362	1,281	1,334	1,234	1,332	1,166	1,116
Gas	505	522	479	349	434	392	288	309	300	289
Cablevision	139	127	122	108	99	95	80	87	71	62
Cigarette Tax	<u>253</u>	<u>224</u>	<u>225</u>	<u>229</u>	<u>212</u>	<u>257</u>	<u>286</u>	<u>299</u>	<u>315</u>	<u>307</u>
Total	<u>\$23,676</u>	<u>\$20,337</u>	<u>\$18,790</u>	<u>\$17,918</u>	<u>\$17,316</u>	<u>\$16,057</u>	<u>\$14,760</u>	<u>\$13,969</u>	<u>\$13,095</u>	<u>\$11,936</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.

CITY OF ST. PETERS, MISSOURI

Table 4

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

(amounts expressed in thousands)

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY	OUTSTANDING DELINQUENT TAXES	RATIO OF OUTSTANDING DELINQUENT TAXES TO TOTAL TAX LEVY
1989	2,993	2,963	99.00%	24	2,987	99.80%	120	4.01%
1990	3,412	3,301	96.75%	45	3,346	98.07%	177	5.19%
1991	3,572	3,495	97.84%	92	3,587	100.42%	153	4.28%
1992	3,849	3,740	97.17%	73	3,813	99.06%	189	4.91%
1993	3,983	3,879	97.39%	79	3,958	99.37%	214	5.37%
1994	4,075	3,986	97.82%	88	4,074	99.98%	215	5.28%
1995	4,210	4,154	98.67%	123	4,277	101.59%	148	3.52%
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%

CITY OF ST. PETERS, MISSOURI

Table 5

**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	
1989	\$ 271,590,777	\$ 1,180,260,306	\$ 50,239,460	\$ 150,869,249	\$ 321,830,237	\$ 1,331,129,555	24.18%
1990	308,531,564	1,345,569,624	58,377,520	175,307,868	366,909,084	1,520,877,492	24.12%
1991	321,342,553	1,403,703,558	62,778,230	188,523,213	384,120,783	1,592,226,771	24.12%
1992	342,033,321	1,503,608,635	71,812,839	215,654,171	413,846,160	1,719,262,806	24.07%
1993	348,223,214	1,535,402,238	75,428,778	226,512,847	423,651,992	1,761,915,085	24.04%
1994	352,730,222	1,551,788,814	83,134,540	249,653,273	435,864,762	1,801,442,087	24.20%
1995	360,543,736	1,599,190,051	90,799,211	272,670,303	451,342,947	1,871,860,354	24.11%
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	461,159,749	2,063,224,785	122,032,142	366,462,889	583,191,891	2,429,687,674	24.00%

- (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.

CITY OF ST. PETERS, MISSOURI

Table 6

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
1989	\$ 2.98	\$ 0.79	\$ 3.77	\$ 2.92	\$ 0.45	\$ 3.37	\$ 3.19	\$ 0.89	\$ 4.08	\$ 0.10	\$ -	\$ 0.10
1990	3.00	0.79	3.79	3.33	0.46	3.79	3.24	0.89	4.13	0.10	0.15	0.25
1991	2.98	0.79	3.77	3.32	0.46	3.78	3.69	0.89	4.58	0.10	0.15	0.25
1992	3.02	0.79	3.81	3.31	0.40	3.71	3.71	0.89	4.60	0.10	0.15	0.25
1993	3.30	0.79	4.09	3.35	0.40	3.75	3.73	0.89	4.62	0.10	0.15	0.25
1994	3.26	0.83	4.09	3.45	0.40	3.85	3.73	0.89	4.62	0.11	0.14	0.25
1995	3.23	0.86	4.09	3.45	0.40	3.85	3.75	0.89	4.64	0.13	0.12	0.25
1996	3.24	0.86	4.10	3.61	0.41	4.02	4.29	0.89	5.18	0.13	0.12	0.25
1997	3.21	0.89	4.10	3.65	0.41	4.06	4.29	0.89	5.18	0.13	0.12	0.25
1998	3.60	0.89	4.49	3.52	0.49	4.01	4.05	0.89	4.94	0.13	0.12	0.25

(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

Table 6, Cont.

**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			
1989	0.55	0.38	0.93	0.28	0.06	0.34	4.18	0.74	6.19
1990	0.48	0.45	0.93	0.33	0.04	0.37	4.38	0.93	6.61
1991	0.48	0.45	0.93	0.31	0.04	0.35	4.83	0.93	7.04
1992	0.48	0.45	0.93	0.32	0.04	0.36	4.85	0.88	7.02
1993	0.48	0.45	0.93	0.33	0.04	0.37	4.87	0.92	7.09
1994	0.28	0.65	0.93	0.34	0.04	0.38	4.87	0.95	7.13
1995	0.68	0.25	0.93	0.31	0.04	0.35	4.89	1.20	7.37
1996	0.68	0.25	0.93	0.30	0.03	0.33	5.43	1.24	7.93
1997	0.68	0.25	0.93	0.30	0.03	0.33	5.43	1.24	7.93
1998	0.66	0.27	0.93	0.29	0.03	0.32	5.19	1.19	7.63

(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 commercial properties located in St. Charles County.

Source: Tax rates provided by respective taxing district and office of the St. Charles County Clerk.

CITY OF ST. PETERS, MISSOURI

Table 7

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

Fiscal Year	Population(1)	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1989	38,200	321,830,237	15,180,000	1,237,818	13,942,182	4.33%	365
1990	42,747	366,909,084	14,555,000	1,184,772	13,370,228	3.64%	313
1991	44,000	384,120,783	13,830,000	1,242,494	12,587,506	3.28%	286
1992	45,000	413,846,160	12,905,000	1,233,545	11,671,455	2.82%	259
1993	46,300	423,651,992	27,705,000	1,068,579	26,636,421	6.29%	575
1994	49,250	435,864,762	26,355,000	464,642	25,890,358	5.94%	526
1995	50,500	451,342,947	25,400,000	827,698	24,572,302	5.44%	487
1996	52,500	484,454,254	24,600,000	898,658	23,701,342	4.89%	451
1997	55,000	506,822,282	24,270,000	1,138,767	23,131,233	4.56%	421
1998	57,000	583,191,891	23,240,000	1,202,106	22,037,894	3.78%	387

(1) The 1990 population is from the United States Bureau of Census.
All other years are estimates made by the City.

CITY OF ST. PETERS, MISSOURI

Table 8

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	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1989	543	1,019	1,562	17,359	9.0%
1990	625	1,103	1,728	16,503	10.5%
1991	725	1,061	1,786	13,962	12.8%
1992	925	1,015	1,940	13,884	14.0%
1993	1,200	956	2,156	17,557	12.3%
1994	1,350	2,157	3,507	20,350	17.2%
1995	955	1,688	2,643	27,464	9.6%
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%

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

CITY OF ST. PETERS, MISSOURI
 COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
 GENERAL OBLIGATION BONDS
 SEPTEMBER 30, 1998

Table 9

Jurisdiction	Net General Obligation Bonded Debt Outstanding(1)	Percentage Applicable to St. Peters(2)	Amount Applicable to St. Peters
Direct:			
City of St. Peters	\$23,240,000	100.00%	\$23,240,000
Overlapping:			
St. Charles County	2,050,000	19.89%	407,745
St. Charles County Community College	36,680,000	20.00%	7,336,000
St. Charles School District	37,045,163	6.93%	2,567,230
Fort Zumwalt School District R-II	69,250,000	37.58%	26,024,150
Francis Howell School District	<u>142,177,411</u>	23.36%	<u>33,212,643</u>
	<u>\$310,442,574</u>		<u>\$92,787,768</u>

(1) Outstanding bond amounts were provided by the respective taxing 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.

CITY OF ST. PETERS, MISSOURI

Table 10

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	Total	
1989	3,874	1,793	2,081	90	1,215	1,305	1.595
1990	3,970	1,912	2,058	245	1,230	1,475	1.395
1991	4,198	2,220	1,978	265	1,208	1,473	1.343
1992	4,267	2,388	1,879	335	603	938	2.003
1993	4,010	2,323	1,687	640	774	1,414	1.193
1994	4,487	2,601	1,886	605	844	1,449	1.302
1995	4,903	2,774	2,129	675	815	1,490	1.429
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

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

CITY OF ST. PETERS, MISSOURI

Table 11

PRINCIPAL TAXPAYERS

SEPTEMBER 30, 1998

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1997 Assessed Value</u>	<u>Percentage of Total Assessed Valuation(1)</u>
May Development Co. of Oregon	Mid Rivers Mall	\$15,892,850	2.73%
Reckitt & Coleman, Inc.	Chemicals	8,521,510	1.46%
JC Penney's Properties, Inc.	Department Store	3,371,100	0.58%
Capital Dierbergs Properties	Strip Center	3,196,260	0.55%
Sears, Roebuck and Company	Department Store	2,884,190	0.49%
Centermark Properties, Inc.	Department Store	2,678,650	0.46%
Dayton Hudson Corporation	Department Store	2,660,260	0.46%
Continental Sprayers	Injection Molded Parts	2,658,290	0.46%
May Department Store	Department Store	2,462,810	0.42%
Wal-Mart Stores, Inc.	Department Store	2,435,090	0.42%

(1) Based on 1997 assessed valuation equal to \$583,191,891.

Source: Office of the St. Charles County Assessor.

**DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Year</u>	<u>Population(1)</u>	<u>Per Capita Income(2)</u>	<u>Unemployment Rate(3)</u>
1989	38,200		3.80%
1990	42,747	15,468	3.40%
1991	44,000		5.20%
1992	45,000		4.10%
1993	46,300		5.00%
1994	49,250		3.30%
1995	50,500		3.00%
1996	52,500		2.60%
1997	55,000		2.40%
1998	57,000		na

School Enrollment Last Ten Years(4)

<u>Year</u>	<u>Fort Zumwalt</u>	<u>St. Charles</u>	<u>Francis Howell</u>
1989	9,482	6,230	12,829
1990	10,000	6,180	13,341
1991	10,500	6,240	13,760
1992	11,165	6,380	14,645
1993	11,850	6,395	15,432
1994	12,000	6,393	15,491
1995	11,449	6,380	16,413
1996	12,595	6,561	17,325
1997	13,720	6,587	18,240
1998	14,488	6,338	18,108

- (1) The 1990 population is from the United States Bureau of Census.
All other years are estimates made by the City.
- (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 except for 1990 which is an official estimate of the United States Bureau of Census.
- (4) Data provided by the respective school district.

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

Table 13

Year	Property Value				Commercial Construction(1)		Residential Construction(2)	
	Residential	Commercial	Agricultural	Total	Number Of Units	Value	Number Of Units	Value
1989	813,236,315	365,164,991	1,859,000	1,180,260,306	37	36,266,777	450	33,607,096
1990	935,974,736	407,724,888	1,870,000	1,345,569,624	42	40,871,985	479	33,229,306
1991	980,316,684	421,379,791	2,007,083	1,403,703,558	24	15,679,214	498	41,493,135
1992	1,066,802,632	434,620,503	2,185,500	1,503,608,635	13	5,909,415	405	32,040,733
1993	1,097,436,684	435,771,888	2,193,667	1,535,402,238	15	4,144,079	565	48,978,445
1994	1,098,131,526	448,231,788	5,425,500	1,551,788,814	51	27,116,434	421	42,359,327
1995 (3)	1,156,450,105	438,447,113	4,292,833	1,599,190,051	29	28,914,889	381	41,791,488
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	1,526,548,184	533,572,009	3,104,592	2,063,224,785	45	23,366,288	365	36,492,082

- (1) Excludes permits issued for miscellaneous purposes and tenant finishes.
- (2) Excludes permits issued for miscellaneous purposes.
- (3) The decline in commercial property assessment and increase in residential assessment is attributable to a legislative change which reclassified apartments from commercial to residential.

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

CITY OF ST. PETERS, MISSOURI
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 1998

Table 14

Date of Incorporation	1910
Form of Government	City Administrator
Number of employees (excluding police officers):	
Full-time	291
Part-time and seasonal	266
Area in square miles	22.2
 City of St. Peters facilities and services:	
Miles of streets	217
Number of street lights	1,995
Culture and recreation:	
Community centers:	
City Hall	1
Cultural Arts Center	1
Sports Center(gymnasium)	1
Senior Citizen Center(includes a fitness trailer)	1
REC-PLEX(2 pools; ice rink; ice/in-link rink; gymnasium; fitness facilities)	1
Parks	19
Park acreage	580
Golf Courses	1
Outdoor swimming pools	3
Tennis Courts	7
Miles of hiking/biking trails	8.4
Police Protection:	
Number of stations	1
Number of police officers	80
Average number of physical arrests per month	144
Average number of calls for service per month	2,850
Sewerage System:	
Miles of sanitary sewers	208
Number of treatment plants	1
Number of service connections	16,193
Daily average treatment in gallons	5,092,000
Daily capacity of treatment plant in gallons	6,900,000
Miles of storm sewers	136
Water System:	
Miles of water mains	216
Number of service connections	14,513
Number of fire hydrants	1,900
Daily average consumption in gallons	4,690,000
Maximum daily capacity in gallons:	
Water treatment plant	6,000,000
City of St. Louis system(per contract)	9,858,000

MISCELLANEOUS STATISTICS

SEPTEMBER 30, 1998

Facilities and services not included in the reporting entity:

Fire Protection(1):

Number of stations	8
Number of employees:	
Full-time	74
Volunteers	6
Average number of calls per month	350
Average number of inspections conducted per month	300

Education:

Number of elementary schools(2)	9
Number of elementary school instructors(2)	262
Number of secondary schools(2)	4
Number of secondary school instructors(2)	390
Number of community colleges(3)	1
Number of universities(satellite campus)	1

Hospitals:

Number of hospitals	1
Number of patient beds	130

Largest Employers:

Number of employees:

MEMC (4)	1,870
City of St. Peters	606
Fort Zumwalt School District R-II	558
Barnes St. Peters Hospital	383
Continental Sprayers	329
Francis Howell School District R-III	320
Reckitt & Coleman (Airwick Industries)	250
Wainwright Industries	238
Central Area Data Processing	210
Didion & Sons Foundry Company	158
Dierbers	150
Woodbridge Corporation	145

- (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) The City is served by three public school districts. These numbers reflect private schools and schools in the public districts that are within the City limits.
- (3) The community college campus is less than one mile from the City limits.
- (4) Located adjacent to corporate limits of St. Peters.