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## Comprehensive Annual Financial Report, 2006

City of St. Peters

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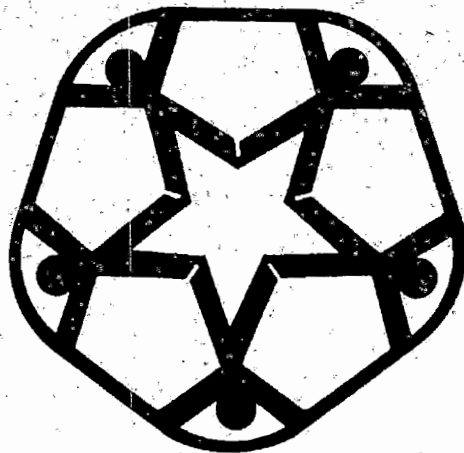
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# CITY OF ST. PETERS, MISSOURI

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*Comprehensive Annual Financial Report*  
*Fiscal year ended September 30, 2006*



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***CITY OF ST. PETERS, MISSOURI***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2006***

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Report issued by the Office of Administration

Timothy M. Wilkinson  
Assistant City Administrator

Beth A. French  
Director of Finance

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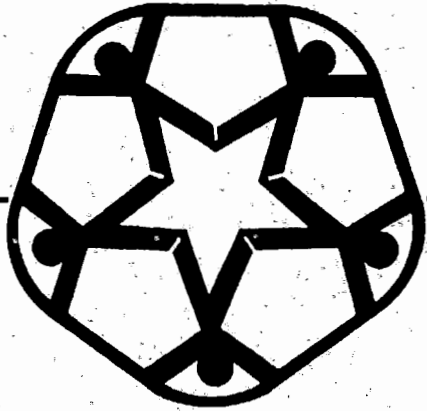
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# Part I - Introductory Section

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December 15, 2006

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, 2006, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

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

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



## PROFILE OF THE GOVERNMENT

The City of St. Peters, incorporated in 1910, is a fourth class city located in St. Charles County, Missouri. The City currently occupies a land area of 22.29 square miles and services a population of approximately 55,000. The City is traversed by Interstate 70 which provides direct access to St. Louis, approximately 20 miles east of the City, and to Kansas City, approximately 220 miles west of the City. Regularly scheduled air passenger and freight service is available at Lambert St. Louis International Airport located approximately 12 miles east of the City on Interstate 70. Commercial air service is available at two private airports within St. Charles County and at a public airport operated by St. Charles County. Barge service is available on the Mississippi River located approximately 5 miles from St. Peters. The City is served by two railroads; the Norfolk & Southern and the Burlington-Northern, and three common-carrier truck lines.

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

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

The City has approximately 499 full-time equivalent employees and provides a full range of services, including police protection; the construction and maintenance of roads, bridges and other infrastructure within the City; programs to assist low to moderate income residents; storm water control programs; and recreational activities and cultural events. In addition, the City provides water and sewer services, solid waste collection, and operates a solid waste transfer facility and recycling center.

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

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

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

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

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

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

## FACTORS AFFECTING FINANCIAL CONDITION

### Local Economy

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

The City currently has approximately 2,478 business establishments, which is an increase of approximately 2% from the prior year. There are several major shopping corridors in St. Peters and the City serves as a shopping hub to surrounding communities located throughout St. Charles County. The City's retail service area encompasses an estimated 30-mile radius with a population of approximately 350,000 in the 10-mile radius immediately surrounding the City.

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

Due to these factors, over the past the City has been able to reduce the property tax rate from \$1.85 per hundred dollars of valuation in 1970 to 80 cents per hundred dollars of valuation (55 cents in the General Fund and 25 cents in the Debt Service Fund) without cutting any City services. The assessed valuation for the City of St. Peters continues to increase and revenues received during the 2006 fiscal year were based upon \$969,454,773 of assessed valuation.

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

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

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

## Cash Management

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

## Risk Management

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

## OTHER INFORMATION

### Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Peters for our Comprehensive Annual Financial Report for the fiscal year ended September 30, 2005. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City of St. Peters has received this prestigious award since 1991. We believe this report continues to conform to the Certificate of Achievement Program requirements. Since the Certificate of Achievement is valid for a period of one year only, we will be submitting this report to the GFOA for their review.

### Acknowledgments

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Beth French".

rbBeth A. French  
Director of Finance

# City of St. Peters, Missouri

Mayor

Vacant

Aldermen

Bruce Holt, Acting President of the Board  
of Aldermen

Ward I

Terry Hawkins

John "Rocky" Reitmeyer

Ward II

Jerry Hollingsworth

David Hayes

Ward III

Len Pagano

Ward IV

Patrick Barclay

Bob Morrison

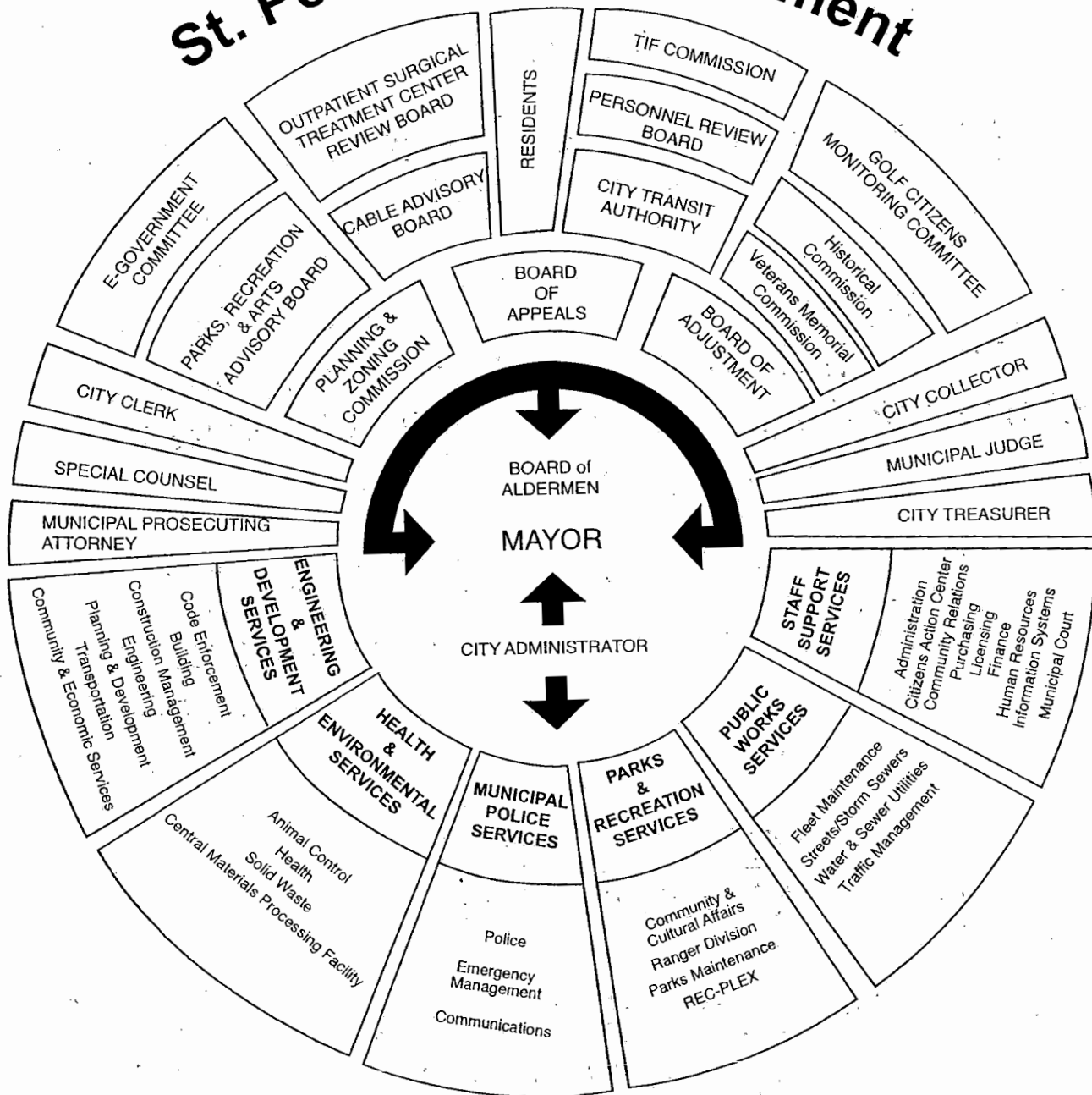
City Administrator

William P. Charnisky

Assistant City Administrator

Timothy M. Wilkinson

# Organizational Structure St. Peters City Government



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Peters  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2005

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

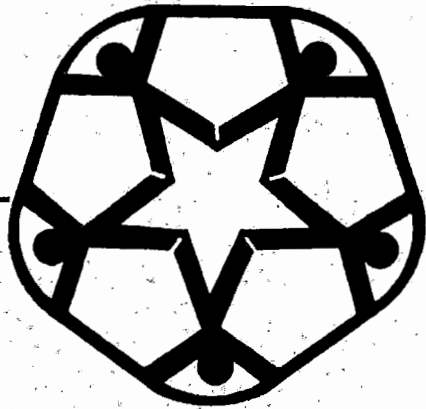


President

Executive Director



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## **Part II - Financial Section**

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RubinBrown LLP  
Certified Public Accountants  
& Business Consultants

One North Brentwood  
Saint Louis, MO 63105

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E info@rubinbrown.com

## Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of St. Peters, Missouri, as of and for the year ended September 30, 2006, which collectively comprise the City of St. Peters, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of St. Peters, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of St. Peters, Missouri, as of September 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2006, on our consideration of City of St. Peters, Missouri's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, and the Budgetary Comparison Information, as listed in the table of contents, and the Pension related required supplementary information on page 44, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of St. Peters, Missouri's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules (supplementary information) and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*RubinBrown LLP*

December 15, 2006

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**Management's Discussion And Analysis**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of St. Peters' (the City) annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2006. Please read this section in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities (net assets) at the end of the fiscal year by approximately \$318.2 million. Net assets is comprised of: \$264.3 million invested in capital assets, net of related debt; \$23.1 million restricted for capital projects, debt service and other purposes; \$21.2 million unrestricted and available for governmental purposes; and \$9.6 million unrestricted and available for the City's business-type activities.
- The City's total net assets increased approximately \$33.8 million over the course of this year's operations. Governmental activities increased by \$32.3 million, and business-type activities increased by approximately \$1.5 million.
- The assessed valuation for real estate and personal property (excluding the City's Special Districts) increased by \$113 million or 13% during fiscal year 2006. In the Special Districts, assessed valuation for real estate and personal property increased \$9 million or 32%.
- The City reduced the property tax rate from 85 cents per \$100 of assessed valuation to 80 cents per \$100 of assessed valuation.
- The City was upgraded to a Aa3 rating from A1 by Moody's Investor Service for general obligation issues.
- During the fiscal year the City had a prior period adjustment of \$172.4 million, of which \$173.3 million placed roads, bridges and other infrastructure assets that were acquired prior to fiscal year 2003 into service in compliance with Governmental Accounting Standards Board Statement (GASB) No. 34 requirements.
- During the fiscal year the City sold land in the St. Peters Lakeside Tax Increment Financing District. We received the first payment of \$24.6 million resulting in a gain on the sale of assets of \$20.3 million. The outstanding balance of \$25 million has been recorded as a long-term receivable and as unearned revenue.
- The City defeased general obligation refunding bonds of \$22,500,000 (Series 2005), with a 4.08% interest rate that were issued for the purpose of financing Redevelopment Project Costs for the St. Peters Lakeside Redevelopment Project.

- Program revenues increased government-wide by \$5.7 million. The major increases relate to \$2.2 million in charges for services due to increased use of recreational programs, several major building permits issued, and an increase in fines from our Municipal Court. In addition, capital grants and contributions increased \$3.4 million from increased dedications and grants related to the public works function of the City.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

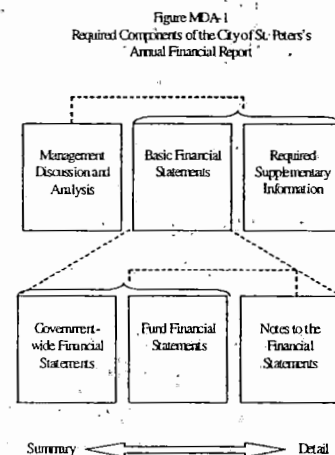


Figure MDA-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and content of each of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

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

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

## GOVERNMENT-WIDE STATEMENTS

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

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

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



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

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

## Financial Analysis Of The City As A Whole

### Net Assets

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

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

	Governmental Activities		Business-type Activities		Total	
	2005 (Restated)	2006	2005 (Restated)	2006	2005 (Restated)	2006
Current and other assets	\$ 54,161,105	\$ 70,003,601	\$ 21,737,827	\$ 20,673,643	\$ 75,898,932	\$ 90,677,244
Capital assets (net of depreciation)	256,068,432	275,298,218	46,187,828	47,505,981	302,256,260	322,804,199
Total assets	310,229,537	345,301,819	67,925,655	68,179,624	378,155,192	413,481,443
Long-term obligations	55,842,892	31,927,277	26,810,729	25,247,801	82,653,621	57,175,078
Other liabilities	7,554,277	34,223,332	3,529,531	3,870,204	11,083,808	38,093,536
Total liabilities	63,397,169	66,150,609	30,340,260	29,118,005	93,737,429	95,268,614
Net assets						
Invested in capital assets, net of related debt	222,007,011	241,816,941	20,726,775	22,491,148	242,733,786	264,308,089
Restricted	9,967,095	16,082,828	5,684,152	6,990,365	15,651,247	23,073,193
Unrestricted	14,858,262	21,251,441	11,174,468	9,580,106	26,032,730	30,831,547
Total net assets	\$ 246,832,368	\$ 279,151,210	\$ 37,585,395	\$ 39,061,619	\$ 284,417,763	\$ 318,212,829

As seen in Table MDA-3, the City’s total assets of \$413.5 million include \$90.7 million in current and other assets and \$322.8 million in capital assets. During fiscal year 2006, the City recorded governmental infrastructure assets acquired during fiscal years prior to the implementation of GASB Statement No. 34 in fiscal year 2003. We recorded \$250.8 million in capital assets with accumulated depreciation of \$77.5 million as a prior period adjustment.

Assets increased during the fiscal year by \$35.3 million (after restatement), and \$25 million relates to a long-term receivable for the final payment related to the sale of land discussed earlier.

The City’s total liabilities of \$95.3 million include \$57.2 million that is not due or payable in the next fiscal year and \$38.1 in other liabilities. The decrease in long-term obligations is the result of the \$22.5 million defeasance, along with scheduled principal payments, and the increase in other liabilities relates to the \$25 million of unearned revenue related to the sale of land discussed previously.

Total net assets of approximately \$318 million is comprised of \$264 million invested in capital assets, net of related debt; \$23 million restricted for capital projects, debt service and other purposes; \$21 million unrestricted and available for general governmental purposes and \$10 million unrestricted and available for the City's business-type activities.

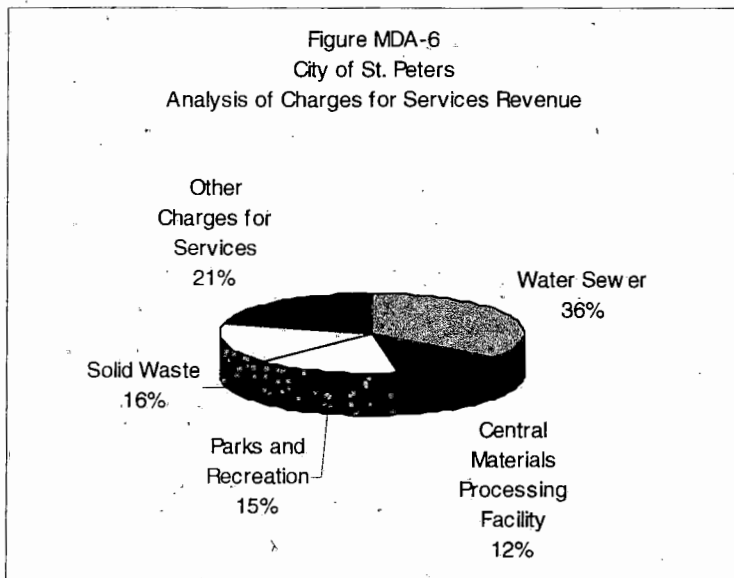
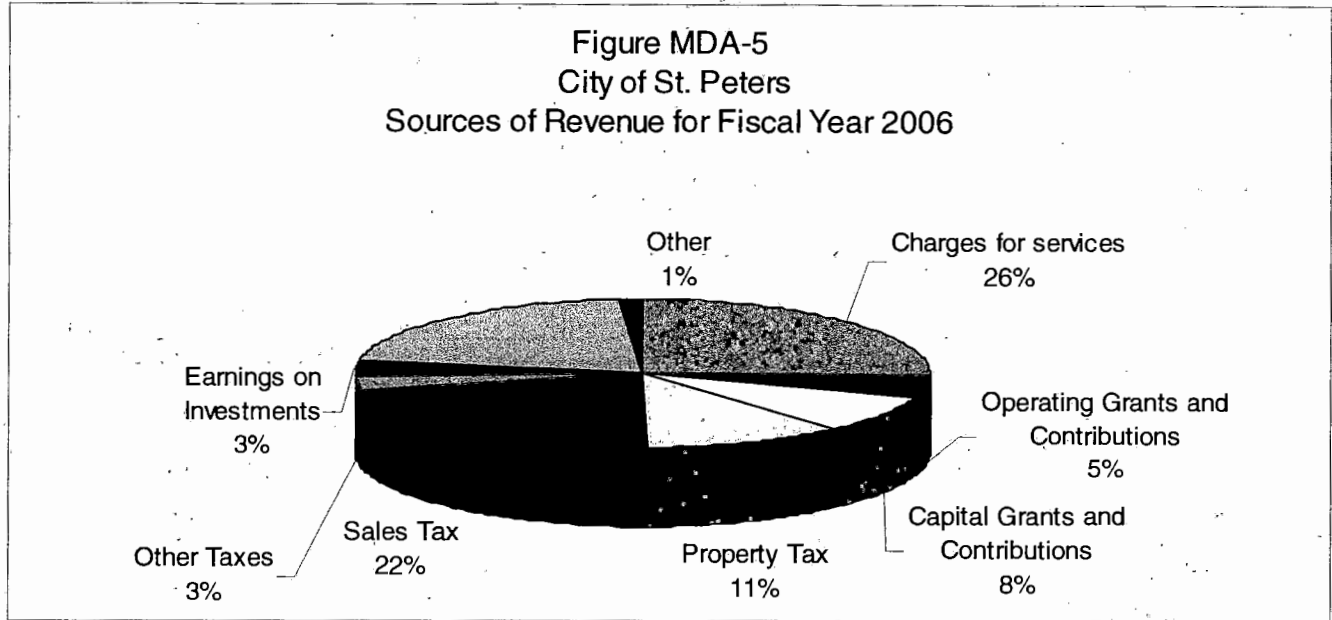
Changes in Net Assets

The City's combined net assets increased by approximately \$33.8 million during fiscal year 2006 as a result of the activity shown in Table MDA-4.

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

	Governmental Activities		Business-type Activities		Total	
	2005	2006	2005	2006	2005	2006
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 7,108,476	\$ 9,020,713	\$ 15,261,351	\$ 15,576,231	\$ 22,369,827	\$ 24,596,944
Operating Grants and Contributions	3,534,260	3,623,735	1,293,479	1,255,040	4,827,739	4,878,775
Capital Grants and Contributions	4,094,689	7,785,280	530,759	234,097	4,625,448	8,019,377
<b>General Revenue</b>						
Property Tax	10,264,569	11,072,324	—	—	10,264,569	11,072,324
Sales Tax	20,569,076	21,017,393	—	—	20,569,076	21,017,393
Other Taxes	3,073,690	3,269,630	—	—	3,073,690	3,269,630
Earnings on Investments	794,416	2,220,645	406,121	759,658	1,200,537	2,980,303
Gain on Sale of Capital Assets	—	20,328,060	—	202,416	—	20,530,476
Other	516,637	1,423,234	—	—	516,637	1,423,234
<b>Total revenues</b>	<b>49,955,813</b>	<b>79,761,014</b>	<b>17,491,710</b>	<b>18,027,442</b>	<b>67,447,523</b>	<b>97,788,456</b>
<b>Expenses</b>						
General government	3,153,690	4,414,387	—	—	3,153,690	4,414,387
Administration	5,142,485	4,679,329	—	—	5,142,485	4,679,329
Police	9,106,695	9,626,373	—	—	9,106,695	9,626,373
Municipal court	355,325	360,009	—	—	355,325	360,009
Public Works	6,719,849	11,304,991	—	—	6,719,849	11,304,991
Engineering	2,070,918	2,584,427	—	—	2,070,918	2,584,427
Maintenance	729,378	967,257	—	—	729,378	967,257
Health	577,925	582,359	—	—	577,925	582,359
Parks and recreations	8,845,727	9,112,915	—	—	8,845,727	9,112,915
Community relations	826,583	876,912	—	—	826,583	876,912
Community and arts	290,478	256,880	—	—	290,478	256,880
Interest on long-term debt	2,148,903	2,748,833	—	—	2,148,903	2,748,833
Waterworks/Sanitary Sewer	—	—	8,136,178	8,439,318	8,136,178	8,439,318
Solid Waste	—	—	3,367,321	3,558,062	3,367,321	3,558,062
Public Improvement Corporation	—	—	1,156,686	1,100,309	1,156,686	1,100,309
Central Materials Processing Facility	—	—	3,306,561	3,381,029	3,306,561	3,381,029
<b>Total expenses</b>	<b>39,967,956</b>	<b>47,514,672</b>	<b>15,966,746</b>	<b>16,478,718</b>	<b>55,934,702</b>	<b>63,993,390</b>
<b>Increase (decrease) in net assets before transfers</b>	<b>9,987,857</b>	<b>32,246,342</b>	<b>1,524,964</b>	<b>1,548,724</b>	<b>11,512,821</b>	<b>33,795,066</b>
<b>Transfers</b>	<b>61,000</b>	<b>72,500</b>	<b>(61,000)</b>	<b>(72,500)</b>	<b>—</b>	<b>—</b>
<b>Increase (decrease) in net assets</b>	<b>\$ 10,048,857</b>	<b>\$ 32,318,842</b>	<b>\$ 1,463,964</b>	<b>\$ 1,476,224</b>	<b>\$ 11,512,821</b>	<b>\$ 33,795,066</b>
<b>Ending Net Assets</b>	<b>\$ 246,832,368</b>	<b>\$ 279,151,210</b>	<b>\$ 37,585,395</b>	<b>\$ 39,061,619</b>	<b>\$ 284,417,763</b>	<b>\$ 318,212,829</b>

For the fiscal year ended September 30, 2006, government-wide revenues totaled \$97.8 million. Approximately one-fourth of all revenues is derived from charges from services and one-fourth from sales tax.

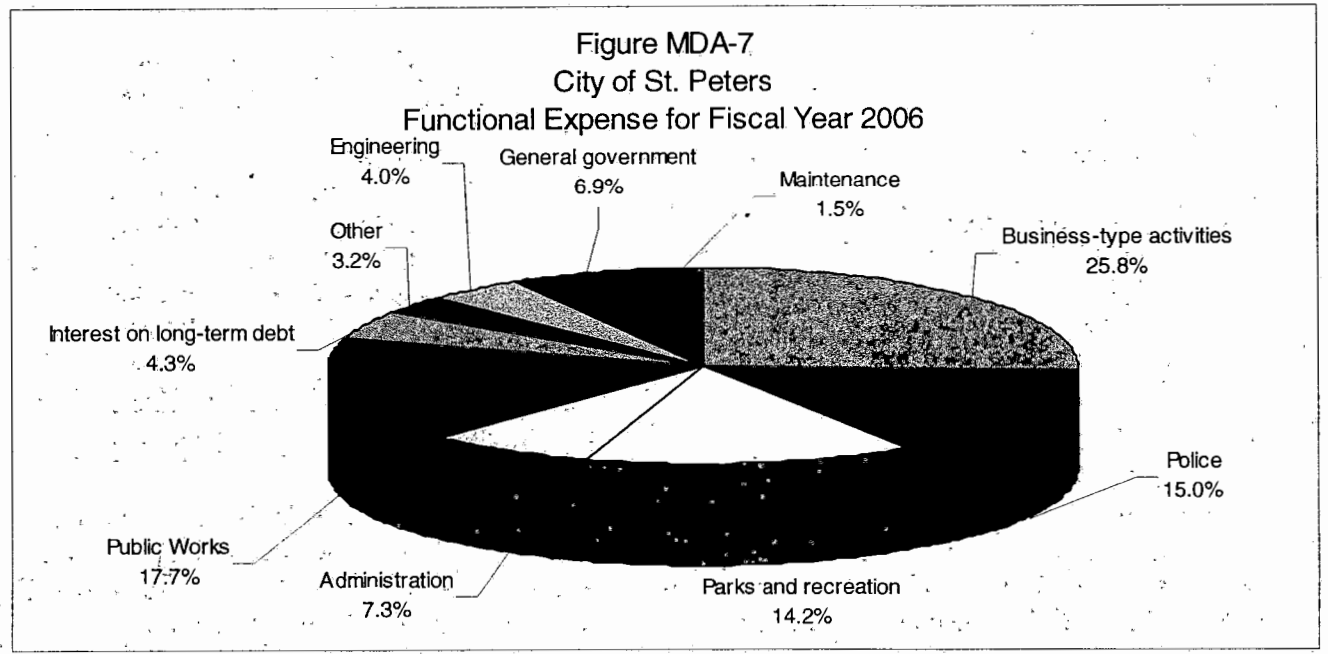


Charges for services are derived from users of the City's programs such as athletic programs at the REC-PLEX, the City's recreational complex, and fees for the users of the City's waterworks and sewerage system and other business-type activities. As seen in Figure MDA-6, the City's water and sewer operations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

The second largest revenue source for the entire city is sales tax, which during the 2006 fiscal year equaled \$21 million. The City of St. Peters has a 1% sales tax to fund general governmental activities, a .5% sales tax that funds the City's transportation activity (road construction and maintenance) and a .1% sales tax for park and storm water activities. In addition, the City has three Tax Increment Financing Districts and sales tax received for these districts is restricted to funding activities within the respective area. Sales tax increased by 2.2% due to an increase in consumer spending and additional retail centers in the City.

The total cost of all programs and services increased by 14.4% citywide to a total of \$64 million during fiscal year 2006. The City's expenses cover a range of services including parks and

recreation, law enforcement, administration and public works. Approximately 25.8% of all city expenses during the 2006 fiscal year is related to business-type activities.



### Governmental Activities

Revenues for the City's governmental activities total \$79.8 million, of which approximately 26% is sales tax, 14% is property tax and 11% is charges from services. Due to the unusually large amount of revenue derived from the sale of land during fiscal year 2006, gain on the sale of capital assets totaled 25% of all governmental revenues for the year. Expenditures for the City's governmental activities total \$47.5 million, which results in an increase in net assets for the fiscal year of \$32.3 million.

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

As stated earlier, the cost of all governmental activities this year was \$47.5 million; however, the amount that our taxpayers paid for these services through City taxes was \$27.1 million. The remaining cost was related to programs that charge those who directly benefit (\$9 million) and from grants and contributions (\$11.4 million). The City paid for the \$27.1 million "public benefit" portion with taxes, interest income and other revenues.

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

	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Administration	\$ 4,679,329	\$ 4,679,329
Engineering	2,584,427	2,584,427
General government	4,414,387	2,085,255
Interest on long-term debt	2,748,833	2,748,833
Other	3,043,417	2,801,959
Parks and recreation	9,112,915	5,128,593
Police	9,626,373	5,849,503
Public Works	11,304,991	1,207,045
	<u>\$ 47,514,672</u>	<u>\$ 27,084,944</u>

Charges for services related to governmental activities increased \$1.9 million. This change is primarily due to a \$638,000 increase in license and permit revenue derived from the issuance of several large permits; a \$309,000 increase in revenue generated by the City's recreational facility the REC-PLEX; a \$522,000 increase in court fines and costs; and \$280,000 for public works.

As previously mentioned, sales tax increased 2.2% due to an increase in consumer spending and additional retail centers in the City. The assessed valuation for real estate and personal property (excluding the City's Special Districts) increased by \$113 million or 13% during fiscal year 2006. In the Special Districts, assessed valuation for real estate and personal property increased \$9 million. This increase in assessed valuation offset by the decrease in the City's tax levy of 5 cents per \$100 of assessed valuation generated an additional 8% property tax revenue citywide.

Governmental capital grants and contributions increased by \$3.7 million relating primarily to donations of capital assets (that is discussed in detail in the capital asset section of this report) of \$4.4 million in 2006 compared to \$1.4 million in 2005 and an increase in grant funded road construction and reconstruction.

General governmental expense increased by \$7.5 million or 18% during fiscal year 2006, some of the significant changes by governmental function include:

- An increase in public works expense of \$4.5 million primarily resulting from increased depreciation expense due to the additional net \$53.6 million in depreciable retroactive infrastructure.
- A \$1,375,000 accrued liability for litigation that is included in claims payable.
- A \$513,000 increased in engineering expense for salary and fringe after the construction management department was reorganized.
- An increase in interest on long-term debt of \$600,000.

## Business-Type Activities

Revenues of the City's business-type activities increased 3% to \$18 million and expenditures increased approximately 3% to \$16.5 million, resulting in an increase in net assets for the fiscal year of 1.5 million. (Refer to Table MDA-4.) Factors that contributed to these results included:

- Charges for services increased by 2%, which relates to increases in water and sewer user fees and solid waste collection fees of \$196,000 and \$337,000 respectively. This is attributed to rate increases in water and sewer charges (5%), growth in our customer base, and increased water demand from an extremely dry summer and fall; and a \$1 per month increase for residential collection in solid waste and growth in our customer base. These increases are offset by decreases at the CMPF of \$219,000, primarily related to the decrease in fees received from outside haulers.
- The water and sewer function's expense increased by \$303,000 or 4% due primarily to an increase in the purchase of water and the cost of utilities associated with running the water and sewer operations. The City purchases water to supplement the water produced. Due to an extremely dry summer and fall, we purchased additional water to meet the high demand. In addition to producing our own water, the City can also purchase water when needed to meet demand. Water purchases were up \$108,340 during fiscal year 2006 and utility costs increased by \$108,000.
- Expense from the solid waste function increased by \$190,700 or 6%, comprised of increases of \$56,000 for salaries and fringe from raises; \$25,500 for depreciation expense; \$25,900 for property insurance claims from a vehicle fire; and \$34,900 due to the increased cost of fuel for the solid waste fleet.
- Expense for the CMPF increased during fiscal year 2006 by \$74,500. The significant changes include declines in salary and related fringe benefits from vacancies of \$89,700; decreased costs for repair and maintenance of equipment of \$76,700; decreased costs in professional services of \$50,600; increased office expenses of \$26,000 and an administrative overhead allocation of \$265,000.
- Expense for the Public Improvement Corporation decreased by \$56,400 primarily due to depreciation expense.

## **FUND FINANCIAL STATEMENTS**

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

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

- **Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements are prepared on a modified accrual basis, which means they measure only current financial resources, uses and balances of spendable resources available at the end of the fiscal year. Therefore, capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund statements. Because the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- **Proprietary funds** – Services for which the City charges customers a fee are generally reported in proprietary funds. The City of St. Peters has only one type of proprietary fund; the enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements: the City's waterworks and sewerage system, solid waste activities, and transfer station and recycling facility (CMPF). Proprietary fund statements are prepared on a full-accrual method and include all their assets and liabilities, current and long-term. This is the same basis used in the government-wide statements.

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

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

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

The City's governmental funds reported a combined fund balance of \$39,999,569, a decrease of \$9,399,263 from the prior fiscal year. Unreserved fund balance constitutes \$29,016,459 and the remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for the following:

- liquidation of contracts and purchase orders of the prior period (\$4,308,747);
- capital improvements (\$4,447,514);
- storm water management (\$85,286);
- inventory and prepaids (\$820,269);
- long-term loans (\$796,767);
- and other purposes (\$524,527).

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

The General Fund serves as the chief operating fund of the City of St. Petersburg. It is used to account for all financial resources except those that are required to be accounted for in another fund. The activities of the general fund include law enforcement, administration and governmental, parks and recreation, and engineering. During fiscal year 2006, the General Fund's fund balance increased by \$4,689,993. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 19% of the total general fund expenditures; while total fund balance represents 40% of that same amount.

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

- Proceeds from the sale of land totaling \$24.6 million offset by a payment to the escrow agent of \$20.6 million for the defeasance of debt that was originally issued for the purpose of financing Redevelopment Project Costs for the St. Petersburg Lakeside Redevelopment Project.
- Continued efforts to limit operating costs to the amount received in operating resources, not utilizing one-time windfalls to cover everyday expenditures.
- Continued growth new construction for both the residential and commercial areas. During the fiscal year, 271 residential and 24 commercial building permits were issued with estimated construction values of \$33,189,993 and \$62,397,912, respectively. The resulting increase in property tax revenue allowed us to continue providing the high quality of service that our residents enjoy.
- Continued efforts to get all budgeted funds to stand on their own. In fiscal year 2005/06 the Recreation Fund, Local Parks and Storm Water Fund, Transportation Trust Fund, Central Materials Processing Facility Fund, Solid Waste Fund and Water Sewer Fund did not require any subsidy from the General Fund.



The other two major funds of the City are the Transportation Trust Fund and the Debt Service Fund. The fund balance in the Transportation Trust Fund increased by \$1,105,681 to \$8.4 million. Of this amount, \$5.6 million is unreserved, \$2.8 million is reserved for the liquidation of contracts and purchase orders of the prior period, and \$1,700 is reserved for inventory and prepaid expenses. The increase in fund balance is attributed to expenditures for maintenance of our existing infrastructure and new infrastructure construction of \$9.3 million offset by resources of \$10.4 million. We received additional intergovernmental grants in fiscal year 2006 of \$800,000 and the Special Allocation Fund – City Centre reimbursed the Transportation Trust Fund \$958,000 for infrastructure improvements made in the district. Revenues and expenditures are forecasted for road projects on a long-term basis in the City's Capital Improvement Plan to ensure adequate funding and fund balance are available. Fund balance in the Debt Service Fund decreased by \$1.5 million, resulting in a total of \$1.3 million, all of which is available for debt service in future years. The decline in fund balance is primarily the result of a \$1.9 million dollar payment to assist in the defeasance of debt that was originally issued for the purpose of financing Redevelopment Project Costs for the St. Peters Lakeside Redevelopment Project.

The other ten non-major governmental funds had a \$3 million increase in fund balance to a total of \$13.1 million. Of this, \$10.7 million is unreserved and \$2.4 million is reserved for various things such as the liquidation of contracts and purchase orders of the prior period, capital improvements, inventory and prepaids, and long-term receivables. The increase can be attributed to \$411,000 unused revenue from the Sewer Lateral Repair Program Fund; increased fund balance of \$2 million in our Special Allocation Funds and the transfer of \$350,000 to the Post-Retirement Benefits Fund.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

- Due to the issuance of several major building permits and the receipt of a partial year special license fee for hotels and boardinghouses, revenue for licenses and permits was increased by \$535,000.
- Due to rising interest rates and mid-year projections, interest income was increased by \$150,000.
- To account for the sale of land and the defeasance of debt discussed previously, revenue was increased by \$24.6 million and expense was increased by \$20.6 million. Reserved fund balance was increased by \$4 million for future capital projects.
- In addition, during the year general fund expenditures were increased by approximately \$744,000. Savings in the cost of personnel totaled \$400,000 offset by insurance expense and capital expense of \$310,000 related to water damage from a broken pipe, and \$315,000 to fund additional legal expenses. In addition, we increased expenditures for projects that were funded by reserves for \$300,000 to purchase parkland, \$70,000 for a storm water project, and \$55,000 for the design of the new Lakeside 370 Park.

Significant variations between final budget and actual amounts include additional revenue of \$1.5 million due to a combination of sales tax not meeting anticipated budget of \$584,000 offset by \$402,000 better than expected revenues in utility franchise tax due to cold weather and increased costs of natural gas; \$358,000 for license and permit revenue from additional permits issued near the end of the fiscal year; \$162,000 for interest revenue; \$655,000 for fines and forfeitures from the increased activity in our municipal court discussed earlier; and \$158,000 from charges for services such as revenue received from the school districts where our School Resource Officers work. In addition, expenses were better than budgeted by \$1.4 million. The majority of this savings relates to salaries and fringe benefits of \$550,000 from vacant positions and a continued Citywide emphasis on controlling costs. In addition, the City experienced savings of \$138,000 in employee travel and training; \$145,000 in legal fees; \$70,000 for professional services related to our information systems department; and \$103,000 in other professional services; \$240,000 in capital items especially from the expected expense related to the water damage at City Hall; offset by increased expense in the cost of gasoline and diesel fuel of \$101,000 and insurance expense of \$134,000 primarily from the flood at City Hall.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of fiscal year 2006, the City had invested \$323 million (net of accumulated depreciation) in a broad range of capital assets including land, structures and improvements, machinery and equipment, water and sewer lines, vehicles, and infrastructure. As discussed previously, during fiscal year 2006, the City recorded governmental infrastructure assets acquired during fiscal years prior to the implementation of GASB Statement No. 34 in fiscal year 2003. We recorded \$250.8 million in assets with accumulated depreciation of \$77.5 million. We also corrected construction in progress by \$881,773. The increase in the City of St. Peters' investment in capital assets that relate to activity in fiscal year 2006 was \$20.5 million. Major capital asset events during the year included the following:

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

- Expenses related to the construction of a levee totaling \$17 million that increased construction in progress
- Major repairs to our existing infrastructure accounts for \$2.2 million of current year additions, and the City accepted over \$4 million in dedicated streets, sidewalks, storm sewers and right-of-way from developers and subdivisions.
- Sale of \$4 million in land in the 370 Lakeside Redevelopment Area.
- Widening of Cave Springs Intersection.

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

- Various building and system additions and improvements in the Waterworks Sanitary Sewer Fund, adding \$2.8 million in additional capital assets, including \$692,000 for water and sewer line additions; water well rehabilitation of \$101,000; a motor control replacement of \$474,000; and construction in progress of \$1.7 million.

- Solid waste collections increased machinery and equipment of \$792,000 includes an additional five collection vehicles.
- The Public Improvement Corporation added \$850,000 in construction in progress for additional storm water and park improvements.

Outstanding encumbrances for capital assets at the end of the fiscal year were \$4.2 million. This amount has been accounted for in the City's budget-based statements and the City has no plans to issue additional debt to finance these projects. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

### Long-Term Debt

At September 30, 2006, the City had a number of debt issues outstanding. These issues included \$25,227,700 of general obligation (G.O.) bonds, \$8,936,000 of Tax Increment Financing (TIF) notes, \$16,528,919 of water/sewer revenue bonds (net of unaccreted capital appreciation of \$6,951,081), and \$11,610,000 of PIC leasehold revenue bonds. The City was upgraded to a Aa3 rating from Moody's Investor Service on general obligation issues.

**Figure MDA-9  
City of St. Peters' Outstanding Debt  
September 30, 2006**

	2005	2006
<b>Governmental Activities</b>		
General obligation (G.O.) bonds	\$ 49,160,000	\$ 25,227,700
Tax Increment Financing (TIF) Notes	8,936,000	8,936,000
<b>TOTAL</b>	<b>\$ 58,096,000</b>	<b>\$ 34,163,700</b>
<b>Business-type Activities</b>		
Water/Sewer revenue bonds (net of unaccreted capital appreciation)	\$ 17,311,997	\$ 16,528,919
PIC leasehold revenue bonds	12,390,000	11,610,000
<b>TOTAL</b>	<b>\$ 29,701,997</b>	<b>\$ 28,138,919</b>
<b>Total</b>		
General obligation (G.O.) bonds	\$ 49,160,000	\$ 25,227,700
Tax Increment Financing (TIF) Notes	8,936,000	8,936,000
Water/Sewer revenue bonds (net of unaccreted capital appreciation)	17,311,997	16,528,919
PIC leasehold revenue bonds	12,390,000	11,610,000
<b>TOTAL</b>	<b>\$ 87,797,997</b>	<b>\$ 62,302,619</b>

Under the statutes of the State of Missouri, the City's general obligation bonded debt is limited to no more than 10% of the most recent assessed valuation of the City. At September 30, 2006, the City was well within this limit with a legal debt margin of \$73,025,626. This does not include an additional debt limit of 10% of assessed valuation available for street or sewer improvements. This additional debt margin amounted to \$96,945,477 at September 30, 2006. Additional information about the City's long-term debt is presented in Note 6 to the financial statements.

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

As with most municipalities, the City's primary revenues are derived from taxes. During fiscal year 2006 we did not experience as much growth in sales tax revenue as expected. Due to this lack of growth, the impact of internet shopping, and the Missouri sales tax holiday, we anticipate receiving approximately the same amount in sales tax revenue that we did in fiscal year 2006.

Fiscal year 2007 is a non-reassessment year and the City's assessed valuation increased only 3% to \$998,541,542. Therefore the City will retain the current property tax rate of 80 cents per \$100 of assessed valuation.

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

We are continuing to look for new revenue sources and are aggressively pursuing new economic development. We have seen continued growth in both the residential and commercial areas. These increases in revenue will assist us in continuing to provide the high quality of service that our residents enjoy.

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

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

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**Basic Financial Statements**

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# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF NET ASSETS September 30, 2006

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Natatorium Foundation
<b>Assets</b>				
Cash and short-term investments	\$ 36,670,061	\$ 15,419,587	\$ 52,089,648	\$ 2,333,292
Investments	—	623,954	623,954	—
Receivables (net):				
Taxes	2,518,616	—	2,518,616	—
Services	—	2,124,587	2,124,587	—
Intergovernmental	3,528,478	—	3,528,478	—
Interest	70,908	6,435	77,343	7,974
Other	349,944	410,185	760,129	—
Internal balances	248,514	(248,514)	—	—
Inventories	820,269	78,741	899,010	—
Investment in joint venture	—	2,258,668	2,258,668	—
Restricted cash and short-term investments	44	—	44	—
Long-term receivables	25,796,767	—	25,796,767	—
Capital assets:				
Nondepreciable	160,590,759	7,474,534	168,065,293	—
Depreciable	114,707,459	40,031,447	154,738,906	—
<b>Total Assets</b>	<b>345,301,819</b>	<b>68,179,624</b>	<b>413,481,443</b>	<b>2,341,266</b>
<b>Liabilities</b>				
Accounts payable	2,032,734	891,849	2,924,583	—
Accrued interest	447,595	163,306	610,901	—
Accrued payroll	949,432	77,137	1,026,569	—
Unearned revenue	25,226,635	—	25,226,635	—
Deposits	609,476	131,150	740,626	—
Claims payable	2,448,081	—	2,448,081	—
Other liabilities	558	49,670	50,228	—
Long-term liabilities:				
Due within one year	2,508,821	2,557,092	5,065,913	—
Due in more than one year	31,927,277	25,247,801	57,175,078	—
<b>Total Liabilities</b>	<b>66,150,609</b>	<b>29,118,005</b>	<b>95,268,614</b>	<b>—</b>
<b>Net Assets</b>				
Invested in capital assets, net of related debt	241,816,941	22,491,148	264,308,089	—
Restricted for:				
Capital projects	14,774,979	—	14,774,979	—
Debt service	1,307,849	6,990,365	8,298,214	—
Other purposes	—	—	—	2,341,266
Unrestricted	21,251,441	9,580,106	30,831,547	—
<b>Total Net Assets</b>	<b>\$ 279,151,210</b>	<b>\$ 39,061,619</b>	<b>\$ 318,212,829</b>	<b>\$ 2,341,266</b>

# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF ACTIVITIES For The Year Ended September 30, 2006

Functions	Program Revenues				Net (Expense) Revenue And Changes In Net Assets			Component Unit
	Expenses	Charges For Services	Operating Grants And Contributions	Capital Grants And Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
<b>Governmental Activities</b>								
General government	\$ 4,414,387	\$ 2,082,925	\$ 246,207	\$ -	\$ (2,085,255)	\$ -	\$ (2,085,255)	\$ -
Administration	4,679,329	-	-	-	(4,679,329)	-	(4,679,329)	-
Police	9,626,373	2,238,900	1,497,647	40,323	(5,849,503)	-	(5,849,503)	-
Municipal court	360,009	-	-	-	(360,009)	-	(360,009)	-
Public works	11,304,991	718,062	1,680,919	7,698,965	(1,207,045)	-	(1,207,045)	-
Engineering	2,584,427	-	-	-	(2,584,427)	-	(2,584,427)	-
Maintenance	967,257	-	-	-	(967,257)	-	(967,257)	-
Health	582,359	21,400	-	-	(560,959)	-	(560,959)	-
Parks and recreation	9,112,915	3,743,865	194,465	45,992	(5,128,593)	-	(5,128,593)	-
Community relations	876,912	90,591	-	-	(786,321)	-	(786,321)	-
Community and arts	256,880	124,970	4,497	-	(127,413)	-	(127,413)	-
Interest on long-term debt	2,748,833	-	-	-	(2,748,833)	-	(2,748,833)	-
	47,514,672	9,020,713	3,623,735	7,785,280	(27,084,944)	-	(27,084,944)	-
<b>Business-Type Activities</b>								
Waterworks/Sanitary Sewer	8,439,318	8,580,469	-	234,097	-	375,248	375,248	-
Solid waste	3,558,062	3,974,228	-	-	-	416,166	416,166	-
Public Improvement Corporation	1,100,309	-	1,255,040	-	-	154,731	154,731	-
Central Materials Processing Facility	3,381,029	3,021,534	-	-	-	(359,495)	(359,495)	-
	16,478,718	15,576,231	1,255,040	234,097	-	586,650	586,650	-
<b>Total Government</b>	\$ 63,993,390	\$ 24,596,944	\$ 4,878,775	\$ 8,019,377	(27,084,944)	586,650	(26,498,294)	-
<b>Component Unit</b>								
Natorium Foundation	\$ 99,992	\$ -	\$ -	\$ -				(99,992)
<b>General Revenues:</b>								
Property taxes levied for:								
General purposes								
					5,754,221	-	5,754,221	-
Debt service								
					2,460,820	-	2,460,820	-
Tax increment financing districts								
					2,857,283	-	2,857,283	-
Sales tax levied for:								
General purposes								
					11,416,073	-	11,416,073	-
Transportation purposes								
					5,706,975	-	5,706,975	-
Park and stormwater purposes								
					1,126,750	-	1,126,750	-
Tax increment financing districts								
					2,767,595	-	2,767,595	-
Franchise and public service taxes								
					3,269,630	-	3,269,630	-
Earnings on investments								
					2,220,645	759,658	2,980,303	243,422
Other revenues								
					1,423,234	-	1,423,234	2,341
Gain on disposition of capital assets								
					20,328,060	202,416	20,530,476	-
<b>Transfers</b>								
					72,500	(72,500)	-	-
<b>Total General Revenues</b>								
					59,403,786	889,574	60,293,360	245,763
Change in net assets								
					32,318,842	1,476,224	33,795,066	145,771
<b>Net Assets - Beginning Of Year</b>								
					74,407,002	37,585,395	111,992,397	2,195,495
Prior period adjustment								
					172,425,366	-	172,425,366	-
<b>Net Assets - Beginning Of Year, As Restated</b>								
					246,832,368	37,585,395	284,417,763	2,195,495
<b>Net Assets - End Of Year</b>								
	\$ 279,151,210				\$ 39,061,619	\$ 318,212,829		\$ 2,341,266

See the accompanying notes to basic financial statements.

# CITY OF ST. PETERS, MISSOURI

## BALANCE SHEET - GOVERNMENTAL FUNDS

September 30, 2006

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Transportation	Debt	Capital	Other	Governmental Funds	
		Trust	Service	Projects	Funds		
<b>Assets</b>							
Cash and cash equivalents:							
Unrestricted	\$ 10,958,300	\$ 4,403,438	\$ 1,309,222	\$ 6,820,074	\$ 13,179,027	\$	36,670,061
Restricted	—	—	—	—	44	—	44
Receivables, net of allowances where applicable:							
Taxes	1,700,179	444,603	50,381	—	358,711	—	2,553,874
Intergovernmental	53,101	3,415,874	—	—	59,503	—	3,528,478
Interest	—	—	—	—	70,908	—	70,908
Other	160,474	5,867	—	—	183,603	—	349,944
Due from other funds	400,164	925,040	—	—	—	—	1,325,204
Long-term receivables	25,000,000	—	—	—	796,767	—	25,796,767
Inventory/prepays	796,763	1,722	—	—	21,784	—	820,269
<b>Total Assets</b>	<b>\$ 39,068,981</b>	<b>\$ 9,196,544</b>	<b>\$ 1,359,603</b>	<b>\$ 6,820,074</b>	<b>\$ 14,670,347</b>	<b>\$</b>	<b>71,115,549</b>
<b>Liabilities And Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 276,593	\$ 705,304	\$ 1,373	\$ 906,001	\$ 143,463	\$	2,032,734
Accrued liabilities	898,915	7,887	—	7,000	35,630	—	949,432
Deposits held for others/ guarantee bonds	430,026	39,072	—	—	140,378	—	609,476
Due to other funds	—	16,049	—	—	1,060,641	—	1,076,690
Deferred revenue	25,109,192	7,840	50,381	—	206,596	—	25,374,009
Claims payable	1,073,081	—	—	—	—	—	1,073,081
Other liabilities	—	—	—	—	558	—	558
<b>Total Liabilities</b>	<b>27,787,807</b>	<b>776,152</b>	<b>51,754</b>	<b>913,001</b>	<b>1,587,266</b>	<b>—</b>	<b>31,115,980</b>
<b>Fund Balances</b>							
Reserved for:							
Encumbrances	372,189	2,805,526	—	—	1,131,032	—	4,308,747
Capital improvements	4,000,000	—	—	—	447,514	—	4,447,514
Stormwater management	85,286	—	—	—	—	—	85,286
Inventory/prepays	796,763	1,722	—	—	21,784	—	820,269
Long-term receivables	—	—	—	—	796,767	—	796,767
Other projects	524,527	—	—	—	—	—	524,527
Unreserved, reported in:							
General fund	5,502,409	—	—	—	—	—	5,502,409
Special revenue funds	—	5,613,144	—	—	10,685,984	—	16,299,128
Debt service funds	—	—	1,307,849	—	—	—	1,307,849
Capital projects funds	—	—	—	5,907,073	—	—	5,907,073
<b>Total Fund Balances</b>	<b>11,281,174</b>	<b>8,420,392</b>	<b>1,307,849</b>	<b>5,907,073</b>	<b>13,083,081</b>	<b>—</b>	<b>39,999,569</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 39,068,981</b>	<b>\$ 9,196,544</b>	<b>\$ 1,359,603</b>	<b>\$ 6,820,074</b>	<b>\$ 14,670,347</b>	<b>\$</b>	<b>71,115,549</b>



# CITY OF ST. PETERS, MISSOURI

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

September 30, 2006

**Total fund balance - governmental funds** \$ 39,999,569

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$396,914,959 and the accumulated depreciation is \$121,616,741. 275,298,218

Property taxes assessed by the City, but not collected within 60 days of year end, are deferred within the fund financial statements. However, revenue for this amount, net of a reserve for uncollectible accounts, is recognized in the government-wide statements. 112,116

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

Balances as of September 30, 2006 are:

Accrued compensated absences, vacation	(954,821)
Claims payable	(1,375,000)
Accrued interest on outstanding debt as of September 30, 2006	(447,595)
Bonds and notes payable	(34,163,700)
Unamortized bond issue costs and deferred amount on refunding	917,006
Unamortized bond premium	(234,583)

**Total net assets - governmental activities** \$ 279,151,210

# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS For The Year Ended September 30, 2006

	Major Funds				Nonmajor Funds		Total
	General	Transportation	Debt	Capital	Other	Governmental	
		Trust	Service	Projects	Funds		
<b>Revenues</b>							
Sales tax	\$ 11,416,073	\$ 5,706,975	\$ —	\$ —	\$ 3,894,343	\$	<del>21,017,391</del>
Property tax	5,751,336	—	2,460,820	—	2,857,283	—	<del>11,069,439</del>
Utility franchise tax	3,267,072	—	—	—	2,558	—	<del>3,269,630</del>
Special assessment	—	—	—	—	215,839	—	215,839
Cigarette tax	203,416	—	—	—	—	—	203,416
Licenses and permits	1,950,438	—	—	—	—	—	<del>1,950,438</del>
Interest	462,121	315,049	168,922	724,384	550,168	—	<del>2,220,644</del>
Intergovernmental	3,418,068	3,074,146	—	—	239,755	—	<del>6,731,969</del>
Fines and forfeitures	1,985,297	—	—	—	—	—	<del>1,985,297</del>
Charges for services	498,725	—	—	—	4,195,311	—	<del>4,694,036</del>
Miscellaneous	345,355	1,268,179	34,296	1,600	129,978	—	<del>1,779,408</del>
<b>Total Revenues</b>	<b>29,297,901</b>	<b>10,364,349</b>	<b>2,664,038</b>	<b>725,984</b>	<b>12,085,235</b>	<b>\$</b>	<b><del>55,137,507</del></b>
<b>Expenditures</b>							
Current:							
General government	1,324,067	—	—	—	1,416,124	—	<del>2,740,191</del>
Administration	4,732,115	—	—	—	—	—	<del>4,732,115</del>
Police	9,649,092	—	—	—	327	—	<del>9,649,419</del>
Municipal court	359,395	—	—	—	—	—	<del>359,395</del>
Public works	2,753,264	3,946,573	—	—	860,531	—	<del>7,560,368</del>
Engineering	2,525,794	—	—	—	2,277	—	2,528,071
Maintenance	713,904	—	—	—	—	—	713,904
Health	557,632	—	—	—	—	—	<del>557,632</del>
Parks and recreation	4,748,483	—	—	—	4,294,552	—	<del>9,043,035</del>
Community relations	799,077	—	—	—	—	—	799,077
Community and arts	180,085	—	—	—	—	—	<del>180,085</del>
Capital outlay	—	5,312,095	—	17,417,081	928,140	—	<del>23,657,316</del>
Debt service:							
Principal retirement	—	—	902,705	—	582,295	—	<del>1,485,000</del>
Interest and fiscal charges	—	—	1,345,142	—	1,355,138	—	<del>2,700,280</del>
Other	—	—	56,082	—	—	—	<del>56,082</del>
<b>Total Expenditures</b>	<b>28,342,908</b>	<b><del>9,258,668</del></b>	<b>2,303,929</b>	<b>17,417,081</b>	<b>9,439,384</b>	<b>\$</b>	<b><del>66,761,970</del></b>
<b>Revenues Over (Under)</b>							
<b>Expenditures</b>	954,993	<del>105,681</del>	360,109	(16,691,097)	2,645,851	—	(11,624,463)
<b>Other Financing Sources (Uses)</b>							
Transfers in	—	—	—	—	350,000	—	350,000
Transfers out	(265,000)	—	—	—	(12,500)	—	(277,500)
Proceeds from sale of capital assets	24,600,000	—	—	—	—	—	24,600,000
Issuance of debt	—	—	—	—	52,700	—	52,700
Payments to escrow agent	(20,600,000)	—	(1,900,000)	—	—	—	(22,500,000)
<b>Total Other Financing Sources (Uses)</b>	<b>3,735,000</b>	<b>—</b>	<b>(1,900,000)</b>	<b>—</b>	<b>390,200</b>	<b>\$</b>	<b>2,225,200</b>
<b>Net Changes In Fund Balances</b>	<b>4,689,993</b>	<b>1,105,681</b>	<b>(1,539,891)</b>	<b>(16,691,097)</b>	<b>3,036,051</b>	<b>\$</b>	<b>(9,399,263)</b>
<b>Fund Balances</b>							
Beginning of year	6,591,181	7,314,711	2,847,740	22,598,170	10,047,030	—	49,398,832
End of year	\$ 11,281,174	\$ 8,420,392	\$ 1,307,849	\$ 5,907,073	\$ 13,083,081	\$	\$ 39,999,569

# CITY OF ST. PETERS, MISSOURI

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Year Ended September 30, 2006

**Net change in fund balances - total governmental funds** \$ (9,399,263)

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

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

Capital outlays	\$ 27,520,151	
Proceeds from sale of capital assets	(24,600,000)	
Donated capital assets	4,362,662	
Depreciation expense	(8,381,087)	(1,098,274)

In the statement of activities, the gain on the sale of capital assets is reported. The gain is not a use of current resources and thus is not reported in the funds.		20,328,060
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The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.

Payments to escrow agent	22,500,000	
Issuance of bonds payable	(52,700)	
Repayment of bond principal	1,485,000	23,932,300

Under the modified accrual basis of accounting used in governmental funds the effect of issuance costs, discounts and premiums are recognized when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due, whereas in the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net effect of these differences is as follows:

Accrued interest on bonds	37,132	
Compensated absences	(23,313)	
Claims payable	(1,375,000)	
Premium on debt issuances, net of amortization	34,154	
Deferred bond issuance costs and deferred amount on refunding, net of amortization	(119,839)	(1,446,866)

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year.		2,885
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<b>Change in net assets of governmental activities</b>		<b>\$ 32,318,842</b>
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# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

September 30, 2006

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents:					
Held by trustees	\$ 100,836	\$ —	\$ 2,782,537	\$ —	\$ 2,883,373
Unrestricted	5,453,126	—	11,330	705,347	6,169,803
Restricted	5,123,553	—	1,242,858	—	6,366,411
Investments - restricted	623,954	—	—	—	623,954
Receivables, net of allowances:					
Services	1,437,006	614,779	—	72,802	2,124,587
Accrued interest	6,435	—	—	—	6,435
Other	136,424	107,998	—	165,763	410,185
Inventory/prepays	134	127	—	78,480	78,741
<b>Total Current Assets</b>	<b>12,881,468</b>	<b>722,904</b>	<b>4,036,725</b>	<b>1,022,392</b>	<b>18,663,489</b>
Noncurrent Assets:					
Investment in joint venture	2,258,668	—	—	—	2,258,668
Capital assets	69,108,823	3,656,893	13,158,625	6,330,229	92,254,570
Less: Accumulated depreciation	34,797,230	2,543,705	4,346,084	3,061,570	44,748,589
Capital assets - net	34,311,593	1,113,188	8,812,541	3,268,659	47,505,981
<b>Total Noncurrent Assets</b>	<b>36,570,261</b>	<b>1,113,188</b>	<b>8,812,541</b>	<b>3,268,659</b>	<b>49,764,649</b>
<b>Total Assets</b>	<b>49,451,729</b>	<b>1,836,092</b>	<b>12,849,266</b>	<b>4,291,051</b>	<b>68,428,138</b>
<b>Liabilities</b>					
Current Liabilities:					
Accounts payable	608,202	6,890	172,108	104,649	891,849
Accrued payroll	28,887	27,730	—	20,520	77,137
Accrued compensated absences	110,678	65,577	—	45,837	222,092
Accrued interest payable	—	—	163,306	—	163,306
Deposits held for others	131,150	—	—	—	131,150
Due to other funds	141,486	96,082	—	10,946	248,514
Current portion of revenue bonds payable (payable from restricted assets)	1,520,000	—	815,000	—	2,335,000
Other	35,807	—	—	13,863	49,670
<b>Total Current Liabilities</b>	<b>2,576,210</b>	<b>196,279</b>	<b>1,150,414</b>	<b>195,815</b>	<b>4,118,718</b>
Noncurrent Liabilities:					
Long-term portion of revenue bonds payable	14,682,292	—	10,565,509	—	25,247,801
<b>Total Liabilities</b>	<b>17,258,502</b>	<b>196,279</b>	<b>11,715,923</b>	<b>195,815</b>	<b>29,366,519</b>
<b>Net Assets</b>					
Invested in capital assets, net of related debt	18,109,301	1,113,188	—	3,268,659	22,491,148
Restricted for debt service	5,747,507	—	1,242,858	—	6,990,365
Unrestricted	8,336,419	526,625	(109,515)	826,577	9,580,106
<b>Total Net Assets</b>	<b>\$ 32,193,227</b>	<b>\$ 1,639,813</b>	<b>\$ 1,133,343</b>	<b>\$ 4,095,236</b>	<b>\$ 39,061,619</b>

# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS For The Year Ended September 30, 2006

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	
<b>Operating Revenues</b>					
Water	\$ 3,712,075	\$ —	\$ —	\$ —	\$ 3,712,075
Sewer	3,034,688	—	—	—	3,034,688
Solid waste	—	3,844,441	—	—	3,844,441
Tap-on fees	291,022	—	—	—	291,022
Tipping fees	—	—	—	1,386,055	1,386,055
Rental income	—	—	1,255,040	—	1,255,040
Recycling income	—	—	—	1,378,882	1,378,882
Earth Centre	—	—	—	236,311	236,311
Intergovernmental	5,000	—	—	—	5,000
Miscellaneous	1,537,684	129,787	—	20,286	1,687,757
<b>Total Operating Revenues</b>	<b>8,580,469</b>	<b>3,974,228</b>	<b>1,255,040</b>	<b>3,021,534</b>	<b>16,831,271</b>
<b>Operating Expenses</b>					
Personnel costs	2,647,266	1,639,564	—	1,299,252	5,586,082
Depreciation	1,883,067	253,176	566,267	249,500	2,952,010
Utilities	442,700	15,443	—	58,537	516,680
Purchased water	627,681	—	—	—	627,681
Wastewater treatment costs	70,239	—	—	—	70,239
Landfill fees	—	874,027	—	1,051,679	1,925,706
Repairs and maintenance	617,985	341,718	—	90,217	1,049,920
Chemicals and supplies	208,946	16,506	—	570	226,022
Professional services	441,295	11,164	—	11,312	463,771
Office expense	107,856	31,632	—	180,465	319,953
Insurance	116,906	50,650	—	31,873	199,429
Gasoline and fuel	85,337	164,683	—	38,257	288,277
Rent	16,073	139	—	6,144	22,356
Miscellaneous	349,255	159,360	5,895	363,223	877,733
<b>Total Operating Expenses</b>	<b>7,614,606</b>	<b>3,558,062</b>	<b>572,162</b>	<b>3,381,029</b>	<b>15,125,859</b>
<b>Operating Income (Loss)</b>	<b>965,863</b>	<b>416,166</b>	<b>682,878</b>	<b>(359,495)</b>	<b>1,705,412</b>
<b>Nonoperating Revenues (Expenses)</b>					
Interest on investments	538,155	1,313	175,115	45,075	759,658
Bond interest and fees	(728,844)	—	(510,339)	—	(1,239,183)
Amortization of bond issue costs and discounts	(58,216)	—	(17,808)	—	(76,024)
Gain on sale of capital assets	202,416	—	—	—	202,416
Equity loss in joint venture	(37,652)	—	—	—	(37,652)
<b>Nonoperating Revenues (Expenses), Net</b>	<b>(84,141)</b>	<b>1,313</b>	<b>(353,032)</b>	<b>45,075</b>	<b>(390,785)</b>
<b>Income (Loss) Before Transfers And Capital Contributions</b>	<b>881,722</b>	<b>417,479</b>	<b>329,846</b>	<b>(314,420)</b>	<b>1,314,627</b>
<b>Transfers Out Capital Contributions</b>	<b>(36,000)</b>	<b>(19,500)</b>	<b>—</b>	<b>(17,000)</b>	<b>(72,500)</b>
<b>Change In Net Assets</b>	<b>1,079,819</b>	<b>397,979</b>	<b>329,846</b>	<b>(331,420)</b>	<b>1,476,224</b>
<b>Net Assets - Beginning Of Year</b>	<b>31,113,408</b>	<b>1,241,834</b>	<b>803,497</b>	<b>4,426,656</b>	<b>37,585,395</b>
<b>Net Assets - End Of Year</b>	<b>\$ 32,193,227</b>	<b>\$ 1,639,813</b>	<b>\$ 1,133,343</b>	<b>\$ 4,095,236</b>	<b>\$ 39,061,619</b>

# CITY OF ST. PETERS, MISSOURI

## STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS For The Year Ended September 30, 2006

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	
<b>Cash Flows From Operating Activities</b>					
Receipts from customers	\$ 6,938,892	\$ 3,790,937	\$ 1,255,040	\$ 2,984,655	\$ 14,969,524
Payments to suppliers	(2,997,355)	(1,683,060)	166,213	(1,787,272)	(6,301,474)
Payment to employees	(2,665,632)	(1,639,625)	—	(1,303,540)	(5,608,797)
Other receipts	1,542,684	129,787	—	20,286	1,692,757
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>2,818,589</b>	<b>598,039</b>	<b>1,421,253</b>	<b>(85,871)</b>	<b>4,752,010</b>
<b>Cash Flows From Noncapital Financing Activities</b>					
Transfers out	(36,000)	(19,500)	—	(17,000)	(72,500)
Advances on (repayments of) internal balances	108,659	36,493	—	(85,488)	59,664
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<b>72,659</b>	<b>16,993</b>	<b>—</b>	<b>(102,488)</b>	<b>(12,836)</b>
<b>Cash Flows From Capital And Related Financing Activities</b>					
Principal paid on revenue bonds	(1,485,000)	—	(780,000)	—	(2,265,000)
Interest paid on revenue bonds	(59,596)	—	(511,127)	—	(570,723)
Proceeds from sale of capital assets	259,685	—	—	—	259,685
Acquisition and construction of capital assets, net	(2,483,213)	(739,667)	(850,783)	(25,548)	(4,099,211)
<b>Net Cash Used In Capital And Related Financing Activities</b>	<b>(3,768,124)</b>	<b>(739,667)</b>	<b>(2,141,910)</b>	<b>(25,548)</b>	<b>(6,675,249)</b>
<b>Cash Flows From Investing Activities</b>					
Proceeds from sale of investments	432,546	—	—	—	432,546
Interest on investments	540,062	1,313	175,115	45,075	761,565
<b>Net Cash Provided By Investing Activities</b>	<b>972,608</b>	<b>1,313</b>	<b>175,115</b>	<b>45,075</b>	<b>1,194,111</b>
<b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	<b>95,732</b>	<b>(123,322)</b>	<b>(545,542)</b>	<b>(168,832)</b>	<b>(741,964)</b>
<b>Cash And Cash Equivalents - Beginning Of Year</b>	<b>10,581,783</b>	<b>123,322</b>	<b>4,582,267</b>	<b>874,179</b>	<b>16,161,551</b>
<b>Cash And Cash Equivalents - End Of Year</b>	<b>\$ 10,677,515</b>	<b>\$ —</b>	<b>\$ 4,036,725</b>	<b>\$ 705,347</b>	<b>\$ 15,419,587</b>
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities</b>					
Operating income (loss)	\$ 965,863	\$ 416,166	\$ 682,878	\$ (359,495)	\$ 1,705,412
Adjustments to reconcile operating income (loss) to net cash provided by (used in), operating activities:					
Depreciation expense	1,883,067	253,176	566,267	249,500	2,952,010
Change in assets and liabilities:					
Increase in service receivable	(98,893)	(53,504)	—	(2,203)	(154,600)
Increase in miscellaneous receivables	(73,133)	(4,684)	—	(14,390)	(92,207)
Decrease in inventory	770	95	—	36,392	37,257
Increase (decrease) in accounts payable	131,851	(13,149)	172,108	1,202	292,012
Increase (decrease) in accrued payroll	(14,139)	2,059	—	(2,151)	(14,231)
Decrease in accrued vacation	(4,227)	(2,120)	—	(2,137)	(8,484)
Increase in deposits held for others	22,050	—	—	7,411	29,461
Increase in other liabilities	5,380	—	—	—	5,380
<b>Total Adjustments</b>	<b>1,852,726</b>	<b>181,873</b>	<b>738,375</b>	<b>273,624</b>	<b>3,046,598</b>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<b>\$ 2,818,589</b>	<b>\$ 598,039</b>	<b>\$ 1,421,253</b>	<b>\$ (85,871)</b>	<b>\$ 4,752,010</b>

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

During fiscal year 2006, the Waterworks/Sanitary Sewer Fund received \$234,097 in contributed water and sewer lines from developers.

# CITY OF ST. PETERS, MISSOURI

## NOTES TO BASIC FINANCIAL STATEMENTS

September 30, 2006

### 1. Summary Of Significant Accounting Policies

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

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

#### Reporting Entity

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

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

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

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

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

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

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

**Joint Venture:** The City has entered into the following multigovernmental arrangement creating an organization that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control, in which the City retains an ongoing financial interest or an ongoing financial responsibility.

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

### **Basis Of Presentation**

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

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

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the City. The effect of interfund activity has been removed from these statements, with the exception of interfund services provided and used. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.



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

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

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

#### **Fund Financial Statements**

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

#### **Fund Accounting**

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

#### **Governmental Funds**

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

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

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

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

## CITY OF ST. PETERS, MISSOURI

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### Notes To Basic Financial Statements (Continued)

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

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

### Proprietary Funds

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

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

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

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

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

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

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

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

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

### **Measurement Focus**

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

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

#### **Fund Financial Statements**

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

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

### **Basis Of Accounting**

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

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

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

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

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

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

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

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

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

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

#### **Expenses/Expenditures**

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

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

**Cash And Cash Equivalents And Investments**

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

**Prepaid Items**

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

**Inventories**

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

**Encumbrances**

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

**Capital Assets**

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

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

## CITY OF ST. PETERS, MISSOURI

### Notes To Basic Financial Statements (Continued)

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

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

#### **Compensated Absences**

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

#### **Long-Term Liabilities**

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The accounting for long-term liabilities in the proprietary funds is the same as it is in the government-wide financial statements.

**Debt Refunding**

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

**Interfund Activity**

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

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

**Net Assets**

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

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

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

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

**Reserved Fund Balance**

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

**Investment In Joint Venture**

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

# CITY OF ST. PETERS, MISSOURI

## Notes To Basic Financial Statements (Continued)

### Estimates And Assumptions

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

## 2. Deposits And Investments

### Investment Policy

The City's Deputy Investment Officer, subject to the review of the Investment Officer, is authorized to invest excess cash in any investments authorized by the City's investment policy. The City's investment policy conforms to the investment policy guidelines set forth by the State of Missouri. The City's investment policy authorizes the City to invest in the following instruments: insured or collateralized certificates of deposit, certain collateralized repurchase agreements, direct obligations of any state in the United States and certain Missouri governmental entities (as outlined in the policy) that are rated "AAA" by Standard & Poor's Corporation and/or "Aaa" by Moody's Investor Service at the time of purchase, direct obligations of the United States of America, and obligations issued or guaranteed by certain agencies of the United States of America (as outlined in the policy). As of September 30, 2006, all of the City's investments were in compliance with the City's investment policy.

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

As of September 30, 2006, the City's deposit and investment balances were as follows:

<u>Deposit/Investment Type</u>	<u>Carrying Value</u>
Deposits	\$ 45,888,337
Certificates of deposit	1,500,000
Unites States treasuries	623,954
Money market funds	4,701,355
	<u>\$ 52,713,646</u>



**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

As of September 30, 2006, the discretely presented component unit's investment balances were as follows:

Money market funds	\$ 313,819
United States treasuries	98,094
United States agencies	174,524
Corporate bonds and notes	500,497
Corporate stocks	864,278
Equity mutual funds	382,080
	<hr/>
	\$ 2,333,292

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

**Interest Rate Risk**

As of September 30, 2006, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
United States treasuries	\$ 582,215	1.28
Money market funds	4,701,355	0.04

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

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

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

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

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

# CITY OF ST. PETERS, MISSOURI

## Notes To Basic Financial Statements (Continued)

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

### Credit Risk

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

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

### Concentration of Credit Risk

The City's investment policy places no specific limits on the amount the City may invest in any one issuer as a percentage of the total portfolio, with the exception of repurchase agreements, which are limited to 15% of the portfolio. The City employs the "prudent person" standard, as defined in the policy, to determine the instrument type and maturity that the City invest its funds in. The following table lists investments in issuers that represent 5% or more of total investments at September 30, 2006:

<u>Issuer</u>	<u>Percent Of Total Investments</u>
Federated Treasury Obligation Funds	12.3%
Fidelity Treasury Funds	70.9%

### Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial credit risk by pre-qualifying institutions with which the City places investments, diversifying its investment portfolio and maintaining the "prudent person" standard of quality for its investments.

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

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

**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 \$.80 per \$100 of assessed valuation, of which \$.55 is for general revenue purposes and \$.25 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.

**4. Capital Assets**

Capital asset activity for the year ended September 30, 2006:

	Balance - October 1, 2005	Other Adjustments (Note 15)	Additions	Retirements	Balance - September 30, 2006
<b>Government Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 17,860,347	\$ 118,429,758	\$ 1,003,559	\$ (4,282,094)	\$ 133,011,570
Construction in progress	7,549,173	(881,773)	22,843,148	(1,931,359)	27,579,189
<b>Total capital assets, not being depreciated</b>	<b>25,409,520</b>	<b>117,547,985</b>	<b>23,846,707</b>	<b>(6,213,453)</b>	<b>160,590,759</b>
Capital assets, being depreciated:					
Structures and improvements	42,518,884	1,272,357	393,644	(7,194)	44,177,691
Machinery and equipment	14,833,347	—	1,231,620	(328,378)	15,736,589
Furniture and fixtures	1,169,059	—	9,867	(2,369)	1,176,557
Vehicles	5,083,147	—	676,318	(783,553)	4,975,912
Infrastructure	31,384,145	131,147,190	7,726,116	—	170,257,451
<b>Total capital assets being depreciated</b>	<b>94,988,582</b>	<b>132,419,547</b>	<b>10,037,565</b>	<b>(1,121,494)</b>	<b>236,324,200</b>
Less accumulated depreciation for:					
Structures and improvements	17,759,146	25,446	1,575,745	—	19,360,337
Machinery and equipment	12,267,369	—	1,053,899	(317,218)	13,004,050
Furniture and fixtures	1,050,589	—	32,731	(2,204)	1,081,116
Vehicles	3,786,742	—	456,938	(742,126)	3,501,554
Infrastructure	1,891,190	77,516,720	5,261,774	—	84,669,684
<b>Total accumulated</b>	<b>36,755,036</b>	<b>77,542,166</b>	<b>8,381,087</b>	<b>(1,061,548)</b>	<b>121,616,741</b>
<b>Total capital assets, being depreciated, net</b>	<b>58,233,546</b>	<b>54,877,381</b>	<b>1,656,478</b>	<b>(59,946)</b>	<b>114,707,459</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 83,643,066</b>	<b>\$ 172,425,366</b>	<b>\$ 25,503,185</b>	<b>\$ (6,273,399)</b>	<b>\$ 275,298,218</b>

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

	Balance - October 1, 2005	Additions	Retirements	Balance - September 30, 2006
<b>Business-Type Activities:</b>				
<b>Waterworks/Sanitary Sewer:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,274,998	\$ —	\$ —	\$ 1,274,998
Construction in progress	881,413	1,679,674	(762,222)	1,798,865
<b>Total capital assets not being depreciated</b>	<b>2,156,411</b>	<b>1,679,674</b>	<b>(762,222)</b>	<b>3,073,863</b>
Capital assets, being depreciated:				
Structures and improvements	22,514,167	82,737	(55,256)	22,541,647
Water lines	19,711,945	500,107	—	20,212,053
Sewer lines	17,846,710	192,580	—	18,039,290
Machinery and equipment	4,734,553	377,426	(604,415)	4,507,564
Other assets	31,018	703,388	—	734,406
<b>Total capital assets being depreciated</b>	<b>64,838,393</b>	<b>1,856,238</b>	<b>(659,671)</b>	<b>66,034,960</b>
Less accumulated depreciation for:				
Structures and improvements	16,684,822	757,054	(11,786)	17,430,090
Water lines	6,615,390	401,584	—	7,016,974
Sewer lines	6,321,553	365,979	—	6,687,532
Machinery and equipment	3,820,741	356,470	(534,237)	3,642,974
Other assets	17,680	1,980	—	19,660
<b>Total accumulated depreciation</b>	<b>33,460,186</b>	<b>1,883,067</b>	<b>(546,023)</b>	<b>34,797,230</b>
<b>Total capital assets being depreciated, net</b>	<b>31,378,207</b>	<b>(26,829)</b>	<b>(113,648)</b>	<b>31,237,730</b>
<b>Waterworks/sanitary sewer capital assets, net</b>	<b>\$ 33,534,618</b>	<b>\$ 1,652,845</b>	<b>\$ (875,870)</b>	<b>\$ 34,311,593</b>
<b>Solid Waste:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ —	\$ —	\$ —	\$ —
Construction in progress	—	—	—	—
<b>Total capital assets not being depreciated</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Capital assets, being depreciated:				
Structures and improvements	223,807	—	—	223,807
Machinery and equipment	2,738,882	791,895	(97,691)	3,433,086
<b>Total capital assets being depreciated</b>	<b>2,962,689</b>	<b>791,895</b>	<b>(97,691)</b>	<b>3,656,893</b>
Less accumulated depreciation for:				
Structures and improvements	120,769	9,677	—	130,446
Machinery and equipment	2,215,223	243,499	(45,463)	2,413,259
<b>Total accumulated depreciation</b>	<b>2,335,992</b>	<b>253,176</b>	<b>(45,463)</b>	<b>2,543,705</b>
<b>Total capital assets being depreciated, net</b>	<b>626,697</b>	<b>538,719</b>	<b>(52,228)</b>	<b>1,113,188</b>
<b>Solid waste capital assets, net</b>	<b>\$ 626,697</b>	<b>\$ 538,719</b>	<b>\$ (52,228)</b>	<b>\$ 1,113,188</b>

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

	Balance - October 1, 2005	Additions	Retirements	Balance - September 30, 2006
<b>Business-Type Activities (Continued):</b>				
<b>Public Improvement Corporation:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,800,000	\$ —	\$ —	\$ 1,800,000
Construction in progress	1,162,631	850,801	—	2,013,432
<b>Total capital assets not being depreciated</b>	<b>2,962,631</b>	<b>850,801</b>	<b>—</b>	<b>3,813,432</b>
Capital assets, being depreciated:				
Structures and improvements	5,598,377	—	—	5,598,377
Machinery and equipment	3,773,439	—	(292,001)	3,481,438
Furniture and fixtures	268,291	—	(2,913)	265,378
<b>Total capital assets being depreciated</b>	<b>9,640,107</b>	<b>—</b>	<b>(294,914)</b>	<b>9,345,193</b>
Less accumulated depreciation for:				
Structures and improvements	1,117,939	210,192	—	1,328,131
Machinery and equipment	2,810,106	323,450	(286,996)	2,846,560
Furniture and fixtures	140,791	32,625	(2,023)	171,393
<b>Total accumulated depreciation</b>	<b>4,068,836</b>	<b>566,267</b>	<b>(289,019)</b>	<b>4,346,084</b>
<b>Total capital assets being depreciated, net</b>	<b>5,571,271</b>	<b>(566,267)</b>	<b>(5,895)</b>	<b>4,999,109</b>
<b>Public Improvement Corporation capital assets, net</b>	<b>\$ 8,533,902</b>	<b>\$ 284,534</b>	<b>\$ (5,895)</b>	<b>\$ 8,812,541</b>
<b>Central Materials Processing Facility:</b>				
Capital assets, not being depreciated:				
Land and land rights	\$ 587,239	\$ —	\$ —	\$ 587,239
Construction in progress	—	—	—	—
<b>Total capital assets not being depreciated</b>	<b>587,239</b>	<b>—</b>	<b>—</b>	<b>587,239</b>
Capital assets, being depreciated:				
Structures and improvements	3,930,240	—	—	3,930,240
Machinery and equipment	1,641,195	25,548	—	1,666,743
Furniture, fixtures and other assets	146,007	—	—	146,007
<b>Total capital assets being depreciated</b>	<b>5,717,442</b>	<b>25,548</b>	<b>—</b>	<b>5,742,990</b>
Less accumulated depreciation for:				
Structures and improvements	1,325,593	160,963	—	1,486,556
Machinery and equipment	1,413,893	70,074	—	1,483,967
Furniture, fixtures and other assets	72,584	18,463	—	91,047
<b>Total accumulated depreciation</b>	<b>2,812,070</b>	<b>249,500</b>	<b>—</b>	<b>3,061,570</b>
<b>Total capital assets being depreciated, net</b>	<b>2,905,372</b>	<b>(223,952)</b>	<b>—</b>	<b>2,681,420</b>
<b>Central Materials Processing Facility capital assets, net</b>	<b>\$ 3,492,611</b>	<b>\$ (223,952)</b>	<b>\$ —</b>	<b>\$ 3,268,659</b>

# CITY OF ST. PETERS, MISSOURI

## Notes To Basic Financial Statements (Continued)

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

### Governmental Activities:

General government	\$ 243,114
Administration	380,801
Public safety	306,058
Municipal court	2,711
Public works	5,361,779
Engineering	57,468
Vehicle and equipment maintenance	50,166
Health and environmental	29,939
Parks and recreation	1,498,765
Street maintenance and repairs	241,354
Street improvements	13,996
Community relations	115,145
Community and arts	79,791
	<hr/>
Total depreciation expense - governmental-type activities	<u>\$ 8,381,087</u>

### Business-Type Activities:

Waterworks	\$ 1,883,067
Solid waste	253,176
PIC	566,267
Central materials processing facilities	249,500
	<hr/>
Total depreciation expense - business-type activities	<u>\$ 2,952,010</u>

## 5. Employees' Retirement System

### Plan Description

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

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

**Funding Status**

The City's full-time employees contribute 4% of their gross salary to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 12.2% (general) and 12.8% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

**Annual Pension Cost**

For the 2006 Plan year, the City's annual pension cost of \$3,212,611 (employer and employee contributions of \$789,728 and \$2,422,883, respectively) was equal to the required and actual contributions. The required contribution was determined as part of the February 29, 2004 and/or February 28, 2005 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back zero years for men and zero years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 5-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2006 was 15 years.

<b>Three-Year Trend Information</b>			
<b>Fiscal Year Ended</b>	<b>Annual Pension Costs (APC)</b>	<b>Percentage Of APC Contributed</b>	<b>Net Pension Obligation</b>
June 30, 2004	\$ 2,785,445	100%	\$ —
June 30, 2005	3,011,310	100%	—
June 30, 2006	3,212,611	100%	—

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

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

Actuarial Valuation Date	(a) Actuarial Value Of Assets	(b) Entry Age Actuarial Accrued 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, 2001	\$ 22,914,427	\$ 23,587,920	\$ 673,493	97%	\$ 16,405,237	4%
February 28, 2002	26,095,648	34,790,135	8,694,487	75	16,869,756	52
February 28, 2003	28,371,495	38,701,789	10,330,294	73	17,609,354	59
February 29, 2004	31,388,499	42,491,859	11,103,360	74	18,195,286	61
February 28, 2005	35,295,426	46,959,411	11,663,985	75	18,874,777	62
February 28, 2006	39,749,391	51,233,320	11,483,929	78	19,479,944	59

NOTE: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations.

**6. Long-Term Liabilities**

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

	Original Issue Amount	Date Of Maturity
General Obligation:		
Series 1997 Refunding	\$ 7,170,000	September 2007
Series 1999 Refunding	16,035,000	January 2013
Series 2002	2,500,000	March 2021
Series 2004 Refunding	9,520,000	March 2016
Neighborhood Improvement District Special Assessment Debt With Governmental Commitment:		
Series 2006	52,700	March 2016
Tax Increment Revenue:		
Series 2001	9,900,000	December 2012
Revenue Bonds:		
Series 1999	9,910,000	May 2015
Series 2002	4,110,000	November 2007
Series 2003	12,970,000	May 2013
PIC Leasehold Revenue Bonds:		
Series 1998	5,000,000	July 2018
Series 2002	2,900,000	June 2022
Series 2003	7,070,000	December 2023



**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

The following is a summary of changes in the City's long-term liabilities for the year ended September 30, 2006, including the long-term debt obligations of the Public Improvement Corporation (PIC) (Note 7):

	Balance - October 1, 2005	Additions	Retirements	Balance - September 30, 2006	Current Portion
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Series 1997 Refunding	\$ 1,755,000	\$ —	\$ 850,000	\$ 905,000	\$ 905,000
Series 1999 Refunding	12,885,000	—	635,000	12,250,000	645,000
Series 2002	2,500,000	—	—	2,500,000	—
Series 2004 Refunding	9,520,000	—	—	9,520,000	—
Series 2005	22,500,000	—	22,500,000	—	—
Neighborhood Improvement District					
Limited General Obligation Bonds:					
Series 2006	—	52,700	—	52,700	4,000
Tax Increment Revenue Notes:					
Taxable Series 2001	5,423,000	—	—	5,423,000	—
Tax-exempt Series 2001	3,513,000	—	—	3,513,000	—
Compensated absences	931,508	1,482,745	1,459,432	954,821	954,821
	<u>\$ 59,027,508</u>	<u>\$ 1,535,445</u>	<u>\$ 25,444,432</u>	35,118,521	<u>\$ 2,508,821</u>
Add: Unamortized premium, net				234,583	
Less: Bond issue costs and deferred amount on refunding				(917,006)	
<b>Total Governmental Activities</b>				<u>\$ 34,436,098</u>	
<b>Business-Type Activities:</b>					
Water/Sewer Revenue Bonds:					
Series 1992 B	\$ 525,000	\$ —	\$ 525,000	\$ —	\$ —
Capital Appreciation Series 1999	9,910,000	—	180,000	9,730,000	1,140,000
Series 2002 Refunding	1,560,000	—	780,000	780,000	380,000
Capital Appreciation Series 2003	12,970,000	—	—	12,970,000	—
PIC Leasehold Revenue Bonds (Note 7)					
Series 1998	3,370,000	—	275,000	3,095,000	290,000
Series 2002	2,210,000	—	240,000	1,970,000	255,000
Series 2003	6,810,000	—	265,000	6,545,000	270,000
Compensated absences	230,576	418,741	427,225	222,092	222,092
	<u>\$ 37,585,576</u>	<u>\$ 418,741</u>	<u>\$ 2,692,225</u>	35,312,092	<u>\$ 2,557,092</u>
Less: Unamortized discount, bond issue costs and deferred amount on refunding				(556,118)	
Unaccreted capital appreciation on bonds				(6,951,081)	
<b>Total Business-Type Activities</b>				<u>\$ 27,804,893</u>	

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

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

The annual principal requirements to maturity of bonded debt outstanding as of September 30, 2006 are as follows:

Years Ending September 30	Governmental Activities		Business-Type Activities:				Total Debt	
	General Obligation		Revenue Bonds		Public Improvement Corporation		Service Requirements To Maturity	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 1,554,000	\$ 1,228,024	\$ 1,520,000	\$ 19,195	\$ 815,000	\$ 492,360	\$ 3,889,000	\$ 1,739,579
2008	2,324,000	1,100,957	1,540,000	6,700	835,000	464,555	4,699,000	1,572,212
2009	2,545,000	952,986	1,365,000	—	745,000	433,765	4,655,000	1,386,751
2010	2,805,000	815,046	1,365,000	—	730,000	405,599	4,900,000	1,220,645
2011	2,990,000	688,362	1,365,000	—	755,000	376,759	5,110,000	1,065,121
2012 - 2016	11,334,700	1,489,380	6,805,000	—	3,340,000	1,431,696	21,479,700	2,921,076
2017 - 2021	1,675,000	215,405	6,800,000	—	2,880,000	685,325	11,355,000	900,730
2022 - 2025	—	—	2,720,000	—	1,510,000	109,176	4,230,000	109,176
	\$ 25,227,700	\$ 6,490,160	\$ 23,480,000	\$ 25,895	\$ 11,610,000	\$ 4,399,235	\$ 60,317,700	\$ 10,915,290

**General Obligation Bonds**

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net assets, were issued to finance various capital projects. \$1,307,849 is available in the City's Debt Service Funds to repay general obligation bonds. The remainder of the general obligation bonds are to be repaid from future property tax levies. The bonds bear interest at rates ranging from 3.1% to 5.15% and mature through 2021.

**Neighborhood Improvement District Bonds (Special Assessment Debt With Governmental Commitment)**

In 1994, State legislation was adopted permitting the formation of special assessment areas, known as Neighborhood Improvement Districts, to finance local public improvements (the NID Act). The improvements are financed by bonds which are retired by assessments levied on those specific properties which benefit from the improvements. To the extent assessments are insufficient to retire the NID Bonds, the City is obligated to pay for debt service with available funds of the City. The City is not authorized to levy a City-wide property tax to pay the NID Bonds.

On September 26, 2006, the City issued \$52,700 of Neighborhood Improvement District Limited General Obligation Bonds (NID Bonds). These bonds are supported by a pledge of the City's full faith and credit and will be repaid from future special assessments to be assessed on certain real property of the District. The bonds bear interest at 4.7% and mature in 2016.

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

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

All revenue bonds payable are recorded in the appropriate enterprise funds since the ordinances authorizing the bond issues require that the bonds be repaid from operations of the respective enterprise fund. These bonds are payable solely from, and secured by, a pledge of the net revenues to be derived from the operation of the Waterworks and Sewerage System. The bond ordinances require the establishment of certain cash reserve accounts which are described in Note 9. These bonds bear interest at rates ranging from 1.4% to 8.1% and mature through 2023.

**Tax Increment Financing (TIF) Notes Payable**

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

The TIF notes represent special, limited obligations of the City, payable solely from the incremental sales and property taxes generated by the development project. The balance at September 30, 2006 represents outstanding notes with no accrued interest. The annual debt service repayments of the TIF notes are contingent upon the amounts of payments in lieu of taxes collected by the TIF districts. The notes bear interest at rates ranging from 7% to 8.5% and mature December 1, 2012.

**Legal Debt Margin**

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

Assessed valuation - 2005 tax year	<u>\$ 969,454,773</u>
Debt limit - 10% of assessed valuation	<u>96,945,477</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	25,227,700
Less: Amount available in debt service fund	<u>1,307,849</u>
Bond indebtedness applicable to debt limit	<u>23,919,851</u>
Legal debt margin	<u>\$ 73,025,626</u>

**Defeasance Of Bonds**

During June 2006, the City deposited \$22,500,000 of City funds, in an irrevocable trust with an escrow agent, to provide for the payment of principal and interest through maturity of the Series 2005 general obligation bonds that bear interest at 4.08% and are due in September 2008. Placing these monies in escrow meets the definition of an in-substance defeasance and the obligations related to the aforementioned bonds were removed from the City's government-wide financial statements. In September 2006, \$15,000,000 of the Series 2005 bonds that were outstanding in the escrow trust agreement were redeemed. As of September 30, 2006, the amount of defeased 2005 bonds still outstanding, but removed from the financial statements is \$7,500,000.

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

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

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

On December 1, 2003, the PIC issued \$7,070,000 of Leasehold Revenue Bonds, Series 2003. Proceeds from the sale of the bonds were used to finance the construction of improvements to Laurel Park, improvements to other City parks and trails, the acquisition of recreational facilities and improvements thereto, erosion control, watershed and basin improvements, and other storm water management related projects. Simultaneously with the issuance of these 2003 Leasehold Revenue Bonds, the City entered into a lease agreement dated December 1, 2003 whereby a portion of the property, facilities and improvement acquired or constructed by the PIC have been leased to the City. The initial lease was renewed on September 30, 2004 and subject to annual budget appropriations. The lease will have successive one-year renewal options for a period of nineteen years. At the end of the nineteen-year period, the assets will be inventoried and become property of the City. Rental payments by the City are to be sufficient at all times to pay, when due, the principal, redemption premium, if any, and interest on the 2003 Leasehold Revenue Bonds. For fiscal year 2006, the City made lease payments totaling \$504,964.

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

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

On June 1, 2002, the PIC issued \$2,900,000 of Leasehold Revenue Bonds, Series 2002. Proceeds from the sale of the bonds were used to finance the acquisition and renovation of a building for use primarily by the City's construction management department and for the City's cable television operations, acquisition of solid waste collection vehicles, acquisition of a communications system and acquisition of other personal property for municipal use. Simultaneously with the issuance of these 2002 Leasehold Revenue Bonds, the City entered into a lease agreement dated June 1, 2002 whereby a portion of the property, facilities and improvement acquired or constructed by the PIC have been leased to the City. The initial lease was renewed on September 30, 2002 and subject to annual budget appropriations. The lease will have successive one-year renewal options for a period of 20 years. At the end of the 20-year period, the assets will be inventoried and become property of the City. Rental payments by the City are to be sufficient at all times to pay, when due, the principal, redemption premium, if any, and interest on the 2002 Leasehold Revenue Bonds. For fiscal year 2006, the City made lease payments totaling \$328,208.

On July 1, 1998, the PIC issued \$5,000,000 of Leasehold Revenue Bonds, Series 1998. Proceeds from the sale of the bonds were used to finance an expansion and renovation of the police station, an expansion to the City's senior citizens center, modifications to the skating rink, acquisition of computer system hardware, and renovation of the City Hall. Simultaneously with issuance of these 1998 Leasehold Revenue Bonds, the City entered into a lease agreement dated July 1, 1998 whereby a portion of the property, facilities and improvements acquired or constructed by the PIC have been leased to the City. The initial lease was renewed on September 30, 1998 and subject to annual budget appropriations. The lease will have successive one-year renewal options for a period of 20 years. At the end of the 20-year period, the assets are intended to become the property of the City. Rental payments by the City are to be sufficient at all times to pay, when due, the principal, redemption premium, if any, and interest on the 1998 Leasehold Revenue Bonds. For fiscal year 2006, the City made lease payments totaling \$421,868.

#### **8. Prior Years' Debt Defeasance**

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt had been issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt has matured and, therefore, the defeased debt was removed as a liability from the City's financial statements. As of September 30, 2006, the amount of prior years' defeased debt outstanding, but removed from the financial statements amounted to \$1,490,000.

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

**9. Enterprise Funds Revenue Bond Requirements**

Cash and cash equivalents and investments restricted at September 30, 2006 are as follows:

Revenue fund	\$ 314,219
Operation and maintenance fund	2,135,793
Series 1998 Leasehold Revenue Bond Reserve Fund	451,961
Series 1999 Waterworks and Sewage Bond Reserve Fund	475,000
Series 2002 Revenue Refunding Bond Reserve Fund	462,398
Series 2002 Revenue Refunding Bond and Interest Fund	392,495
Series 2002 Leasehold Revenue Bonds Reserve Fund	249,167
Series 2003 Leasehold Revenue Bonds Reserve Fund	541,730
Depreciation Fund	225,000
Interest Reserve Fund	500,000
Contingency Fund	1,242,602
	<u>\$ 6,990,365</u>

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

**Revenue Fund**

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

**Operation And Maintenance Fund**

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

**Series 1998 Leasehold Revenue Bond Reserve Fund**

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

**Series 1999 Waterworks And Sewage Revenue Bonds**

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

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

### Notes To Basic Financial Statements (Continued)

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

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

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

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

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

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

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

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

#### **Depreciation Fund**

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

#### **Interest Reserve Fund**

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

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

**Contingency Fund**

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

**Rate Covenant**

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

The City met all related revenue bond reserve requirements.

**10. Interfund Balances And Transfers**

The following represents a reconciliation of transfers between individual funds for the year ended September 30, 2006:

	Transfers From	Transfers To	Net Transfers
<b>Major Governmental Funds:</b>			
General Fund	\$ 265,000	\$ —	\$ (265,000)
<b>Nonmajor Governmental Funds:</b>			
Recreation Fund	12,500	—	(12,500)
Post Employment Benefits Fund	—	350,000	350,000
<b>Major Enterprise Funds:</b>			
Waterworks/Sanitary Sewer Fund	36,000	—	(36,000)
Solid Waste Fund	19,500	—	(19,500)
Central Materials Processing Facility	17,000	—	(17,000)
	\$ 350,000	\$ 350,000	\$ —

Interfund transfers totaling \$350,000 were used to fund post-retirement benefits to be paid on behalf of retirees.



# CITY OF ST. PETERS, MISSOURI

## Notes To Basic Financial Statements (Continued)

Individual fund interfund receivable and payable balances as of September 30, 2006 are as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
<b>Major Governmental Funds:</b>		
General Fund	\$ 400,164	\$ —
Transportation Trust Fund	925,040	16,049
<b>Nonmajor Governmental Funds:</b>		
City Centre Special Allocation Fund	—	925,040
Recreation Fund	—	77,503
Community Development Block Grant Fund	—	58,098
<b>Major Enterprise Funds:</b>		
Waterworks/Sanitary Sewer Fund	—	141,486
Solid Waste Fund	—	96,082
Central Materials Processing Facility	—	10,946
	<u>\$ 1,325,204</u>	<u>\$ 1,325,204</u>

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

Interfund payables at September 30, 2006 include \$77,503 in the Recreation Fund, \$16,049 in the Transportation Trust Fund, \$34,060 in the Solid Waste Fund, \$141,486 in the Waterworks/Sanitary Sewer Fund and \$10,946 in the Central Materials Processing Facility Fund are for reimbursement to the General Fund for insurance expense.

Interfund payable of \$58,098 in the CDBG - Nonmajor Governmental Fund is for reimbursement to the General Fund for Community Development Block Grant Fund program costs incurred during fiscal year 2006.

Interfund payable of \$925,040 in the City Centre Special Allocation Fund is for reimbursement to the Transportation Fund for road construction projects.

Interfund payable of \$62,022 in the Solid Waste Fund is due to the elimination of negative cash balances.

## 11. Joint Venture

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

# CITY OF ST. PETERS, MISSOURI

## Notes To Basic Financial Statements (Continued)

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, 2006 includes its proportionate share of water pipeline construction costs and an initial contribution to a water pipeline maintenance fund. Under terms of the Joint Venture agreement, additional contributions to maintain the water pipeline maintenance fund at an agreed-upon base amount may be required. The current base amount is \$500,000 which may be increased to a maximum of \$1,000,000 if maintenance costs so justify.

During 2006, the City of St. Peters, Missouri purchased water from the Joint Venture and paid related pumping charges totaling \$627,681. 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, 2006 is as follows:

Assets	<u>\$ 7,207,528</u>
Liabilities	\$ 553,421
Partnership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Accumulated deficit:	
St. Peters	(787,693)
St. Charles	<u>(1,689,330)</u>
	<u>\$ 7,207,528</u>
Operating revenue	\$ 1,682,236
Operating expenses	(1,838,173)
Nonoperating revenue	<u>51,998</u>
Net Loss	<u>\$ (103,939)</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.

**CITY OF ST. PETERS, MISSOURI**

Notes To Basic Financial Statements (Continued)

**12. Insurance Programs**

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

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

At September 30, 2006, the City's total estimated liability for payment of incurred (both reported and unreported) but unpaid claims for workers' compensation, property, unemployment and medical costs was \$1,073,081.

Changes in the self-insured claims liabilities at September 30, 2006 and 2005 were as follows:

	Workers' Compensation/			Total
	General	Unemployment	Medical	
Balance - October 1, 2004	\$ 530,982	\$ 3,261	\$ 327,380	\$ 861,623
Add: Current Year Claims And Changes In Estimate	612,820	—	2,475,750	3,088,570
Less: Claim payments	465,982	3,261	2,443,130	2,912,373
Balance - September 30, 2005	677,820	—	360,000	1,037,820
Add: Current Year Claims And Changes In Estimate	552,439	—	2,833,743	3,386,182
Less: Claim Payments	734,530	—	2,616,391	3,350,921
Balance - September 30, 2006	\$ 495,729	\$ —	\$ 577,352	\$ 1,073,081

**13. Postemployment Health Care Benefits**

In accordance with City statutes, the City provides postemployment health care benefits to eligible employees who retire from the City, while a subscriber or participant, who elect to receive benefits and have more than five (5) years of service prior to the date of retirement, and who have elected to continue coverage under the plan, together with the spouse of such retired employees. At September 30, 2006, the City provided this benefit to 24 retirees. The City provides a contribution on behalf of the retired employees and their spouses for health and/or dental insurance premiums based upon years of service.

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

During fiscal year 2006, the cost of postemployment benefits, net of retiree contributions, totaled approximately \$143,418.

## **14. Commitments And Contingencies**

### **Litigation**

A lawsuit captioned Great Rivers Habitat Alliance, et al., v. City of St. Peters, Missouri and the Missouri Attorney General, was filed on December 13, 2004 in Circuit Court of Cole County, Missouri, by five individuals and the Great Rivers Habitat Alliance (a Missouri benevolent corporation) seeking invalidation of the Lakeside 370 Business Park TIF Redevelopment Plan (Plan) and the Ordinances adopting that Plan for redevelopment. A motion to intervene was filed on behalf of the County of St. Charles on July 19, 2005 to join as a plaintiff and assert claims to invalidate the Plan and Ordinances. On September 1, 2005, the Plaintiffs filed an amended petition, joined by St. Charles County. The City and Missouri Attorney General requested the Court grant judgment against plaintiffs on plaintiffs' claims that the TIF Act was unconstitutional. On December 9, 2005, the Circuit Court entered judgment against plaintiffs and in favor of the City and Attorney General, holding that the TIF Act was not unconstitutional as alleged by plaintiffs. The City then filed a motion for summary judgment, requesting the Court enter judgment against all remaining claims of invalidity of the Plan and Ordinances. On January 19, 2006, the Circuit Court entered judgment against plaintiffs and in favor of the City upholding the validity of the Plan and Ordinances as against the challenges brought by the plaintiffs. On February 17, 2006, the City filed a motion to amend the judgment to include the payment by Plaintiffs of the City's attorneys' fees in defense of the action. On February 21, 2006, plaintiffs filed a motion before the Circuit Court requesting the Court reverse its January 19, 2006 judgment and permit a trial on the issues. On May 17, 2006, the Circuit Court entered its final judgment denying all post-trial motions. Plaintiffs appealed the Circuit Court's judgment to the Missouri Supreme Court, but on motion of the City for transfer, the Missouri Supreme Court declined to hear the case and transferred the appeal to the Missouri Court of Appeals for the Western District of Missouri. Briefing on the appeal was completed and the appeal was submitted to the appellate court in February 2007. Oral argument has been set for April 4, 2007. Given the complexity of the matters raised in the petition, counsel for the City is unable at this time to determine the likelihood of any final outcome or the financial impact, if any, to the City in the case of any adverse decision.

## CITY OF ST. PETERS, MISSOURI

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### Notes To Basic Financial Statements (Continued)

In 2004, a lawsuit captioned Brian Hodak and Karla Hodak v. City of St. Peters, Mayor Tom Brown, Sgt. Timothy Kaiser, Sgt. Robert Treadway, Ofcr. Charles Cason, was filed asserting six claims against the City, three individual police officers employed by the City and the City's former Mayor, Tom Brown ("Mayor") alleging violation of their constitutional rights and requesting damages in excess of \$3.5 million under 42 U.S.C. § 1983. In Count I, these Plaintiffs alleged a conspiracy among the defendants to violate Plaintiffs' first amendment rights; asserting that Brian Hodak's published letters to the editor critical of the City motivated defendants to retaliate against Brian Hodak by revoking the liquor license of the Bar owned by Karla Hodak's company, H/N Planning & Control, Inc. ("H/N") based on points assessed for liquor code violations. In Count II, Plaintiffs claimed the City and Mayor violated their due process rights by revoking the liquor license of the Bar owned by H/N. In Count III and VI, Plaintiff Brian Hodak claimed the police officers and City violated his constitutional right to be free from the use of unconstitutional excessive force by subduing him in the course of his arrest for assault in October 2001. In Count IV, Brian Hodak claimed a violation of his constitutional rights based on his theory that the police officers falsely imprisoned him through his arrest in October 2001, and in Count V, Brian Hodak claimed the City and offices maliciously prosecuted him for the charge of assault.

In February 2006, the Federal Court dismissed Counts II, IV and V on the defendants' motion for summary judgment. In March 2006, Counts I, III and VI were tried to a jury. After the close of all evidence in that trial but prior to submission to the jury, the Federal Court granted Plaintiffs' motion to substitute H/N for Karla Hodak on Count I. The jury returned a verdict in favor of the defendant officers and City on Counts III and VI (relating to the claims of excessive use of force), but returned a verdict against the City and Mayor on Count I in the amount of \$566,000. Although a request for punitive damages was pled under Count I, the Federal Court refused to submit the claim for punitive damages to the jury.

On post-trial motions, the Federal Court affirmed the jury's verdicts on Counts III and VI and granted the defendants a new trial on Count I based on the prejudice to defendants of the "11th-hour" substitution of H/N for Karla Hodak. Defendants and Plaintiffs both requested recovery of their attorneys' fees and costs. The court denied Plaintiffs request for attorneys' fees and costs and deferred ruling on Defendants' request.

In November 2006, Count I was re-tried and the jury returned a verdict in favor of H/N for \$375,000 actual damages against defendants and \$1 million in punitive damages against the former Mayor, who may be indemnified by the City under certain circumstances. Post-trial motions have been filed by the City requesting the elimination of actual and punitive damages and final briefing on those motions has been completed. The City, based upon advice from legal counsel, is unable to determine the amount of damages, which may ultimately be due after post-trial motions and appeal, if any. After ruling by the Federal Court on the post-trial motions, unless a new trial is awarded, the judgment will be final for purposes of appeal.

## CITY OF ST. PETERS, MISSOURI

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

The City has accrued a liability in this matter in the amount of \$1,375,000, which is included in claims payable in the Government-wide financial statements. The City has filed a claim with its insurance company related to this matter.

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

#### **Federal Grants**

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

#### **Commitments**

The City has entered into construction and other contracts amounting to approximately \$9.7 million at September 30, 2006.

During 2006, the City sold a parcel of Route 370 property (Levee Property) for \$49,600,000. As stated in the contract, the City received \$24,600,000 in 2006 and the balance of \$25,000,000 will be paid when certain conditions are met as outlined in the agreement. The City cannot recognize the remainder of the gain until the date upon which Final Completion, as outlined in the agreement, occurs. Final Completion includes: completion of all material items outlined in the Certificate of Substantial Completion, as outlined in the agreement; completion of all material work under the Missouri Department of Transportation Levee Attachment Agreement; and issuance of a Letter of Map Revision from the Federal Emergency Management Agency. Once these conditions are met, the City shall transfer the Levee Property to the St. Peters Route 370 Levee District and receive final payment. As security for the Developer's obligation to make the final payment, the Developer has delivered to the City an irrevocable stand-by letter of credit for the benefit of the City in the amount of \$25,000,000. The City has currently accounted for this part of the transaction as deferred revenue until the conditions outlined above are met.

The cash received of \$24,600,000 has been recognized as revenue in the accompanying financial statements.

**15. Prior Period Adjustment**

The "other adjustments" column in Note 4 for governmental activities represents a prior period adjustment of \$173,307,139 for land, roads, bridges, other infrastructure, and structures and improvements, net of accumulated depreciation, that occurred prior to October 1, 2002, related to the retroactive reporting requirements of GASB 34. Additionally, there was a prior period adjustment of \$(881,773) included in the "other adjustments" column of Note 4 for governmental activities for an error related to capital assets in construction in progress that was not properly placed into service prior to October 1, 2005. The effect of these adjustments to capital assets, net of accumulated depreciation, resulted in an increase to net assets as of October 1, 2005 of \$172,425,366.



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**Required Supplementary Information**

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# CITY OF ST. PETERS, MISSOURI

## REQUIRED SUPPLEMENTARY INFORMATION BUDGETARY COMPARISON INFORMATION BUDGET BASIS - GENERAL FUND For The Year Ended September 30, 2006

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Revised Final Budget		
<b>Revenues</b>				
Sales tax	\$ 12,000,000	\$ 12,000,000	\$ 11,416,073	\$ (583,927)
Property tax	5,676,000	5,676,000	5,750,775	74,775
Utility franchise tax	2,865,000	2,865,000	3,267,072	402,072
Cigarette tax	200,000	200,000	203,416	3,416
Licenses and permits	1,057,000	1,592,000	1,950,438	358,438
Interest	150,000	300,000	462,121	162,121
Intergovernmental	3,277,500	3,320,000	3,418,068	98,068
Fines and forfeitures	1,355,500	1,355,500	1,985,297	629,797
Charges for services	314,800	314,800	498,725	183,925
Miscellaneous	197,000	211,800	345,355	133,555
<b>Total Revenues</b>	<b>27,092,800</b>	<b>27,835,100</b>	<b>29,297,340</b>	<b>1,462,240</b>
<b>Expenditures</b>				
General government	1,074,450	1,389,450	1,336,759	52,691
Administration	4,991,455	5,214,455	4,684,264	530,191
Police	9,865,700	9,805,250	9,642,781	162,469
Municipal court	399,670	399,670	359,901	39,769
Public works	2,814,140	2,824,140	2,782,857	41,283
Engineering	2,725,985	2,695,985	2,520,584	175,401
Maintenance	751,150	751,150	713,979	37,171
Health	627,865	627,865	557,632	70,233
Parks and recreation	4,540,385	4,796,385	4,625,649	170,736
Community relations	907,000	937,000	845,488	91,512
Community and arts	183,550	183,550	179,640	3,910
<b>Total Expenditures</b>	<b>28,881,350</b>	<b>29,624,900</b>	<b>28,249,534</b>	<b>1,375,366</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(1,788,550)</b>	<b>(1,789,800)</b>	<b>1,047,806</b>	<b>2,837,606</b>
<b>Other Financing Uses</b>				
Transfers out	(265,000)	(265,000)	(265,000)	—
Proceeds from sale of capital assets	—	24,600,000	24,600,000	—
Payments to escrow agent	—	(20,600,000)	(20,600,000)	—
<b>Total Other Financing Sources (Uses)</b>	<b>(265,000)</b>	<b>3,735,000</b>	<b>3,735,000</b>	<b>—</b>
<b>Revenues And Other Financing Sources Over (Under) Expenditures And Other Financing Uses</b>	<b>(2,053,550)</b>	<b>1,945,200</b>	<b>4,782,806</b>	<b>2,837,606</b>
<b>Fund Balances</b>				
Budget basis:				
Unreserved:				
Beginning of year	4,813,034	4,813,034	4,813,034	—
Transfer from (to) reserved	(129,000)	(3,697,800)	(3,679,816)	17,984
<b>End of year</b>	<b>2,630,484</b>	<b>3,060,434</b>	<b>5,916,024</b>	<b>2,855,590</b>
Reserved:				
Beginning of year	1,410,137	1,410,137	1,410,137	—
Transfer from (to) unreserved	129,000	3,697,800	3,679,816	(17,984)
<b>End of year</b>	<b>1,539,137</b>	<b>5,107,937</b>	<b>5,089,953</b>	<b>(17,984)</b>
 Budget basis, end of year	 \$ 4,169,621	 \$ 8,168,371	 11,005,977	 \$ 2,837,606
Encumbrances, end of year			372,189	
Property tax - deferred revenue, end of year			(96,992)	
 GAAP basis, end of year			 \$ 11,281,174	

**CITY OF ST. PETERS, MISSOURI**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON INFORMATION  
BUDGET BASIS - TRANSPORTATION TRUST FUND  
For The Year Ended September 30, 2006**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original Budget	Revised Final Budget		
<b>Revenues</b>				
Sales tax	\$ 6,000,000	\$ 6,000,000	\$ 5,706,975	\$ (293,025)
Interest	75,000	75,000	315,049	240,049
Intergovernmental	2,970,900	2,305,140	1,325,619	(979,521)
Miscellaneous	740,000	1,240,000	1,268,179	28,179
<b>Total Revenues</b>	<b>9,785,900</b>	<b>9,620,140</b>	<b>8,615,822</b>	<b>(1,004,318)</b>
<b>Expenditures</b>				
Public works	3,997,860	4,398,160	4,316,912	81,248
Street construction	7,966,000	9,084,500	2,996,942	6,087,558
Debt service	625,000	—	—	—
<b>Total Expenditures</b>	<b>12,588,860</b>	<b>13,482,660</b>	<b>7,313,854</b>	<b>6,168,806</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(2,802,960)</b>	<b>(3,862,520)</b>	<b>1,301,968</b>	<b>5,164,488</b>
<b>Fund Balances</b>				
Budget basis:				
Unreserved:				
Beginning of year	5,671,284	5,671,284	5,671,284	—
End of year	2,868,324	1,808,764	6,973,252	5,164,488
Budget basis, end of year	<u>\$ 2,868,324</u>	<u>\$ 1,808,764</u>	6,973,252	<u>\$ 5,164,488</u>
Budget basis grant revenue			(1,358,386)	
Encumbrances, end of year			<u>2,805,526</u>	
GAAP basis, end of year			<u>\$ 8,420,392</u>	

# CITY OF ST. PETERS, MISSOURI

## NOTES TO BUDGETARY COMPARISON INFORMATION

September 30, 2006

### **Budgetary Process**

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

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

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

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

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

- For GAAP purposes, expenditures are recognized primarily as incurred, whereas the City's budget basis recognizes encumbrances outstanding at year end as expenditures of the current period. Accordingly, expenditures on a budget basis for the general fund are less than expenditures in the fund financial statements by \$93,374 and less than expenditures in the fund financial statements by \$1,944,814 for the transportation trust fund.
- In the special revenue funds, certain nonexchange intergovernmental revenue is recognized differently for GAAP and budget basis purposes due to the related recognition (encumbrance) of reimbursable expenditures discussed above.
- Property tax revenue is recognized in the period for which it is levied, to the extent it is collected within the current period or expected to be collected within 60 days following the end of the fiscal period on a GAAP basis. Property tax revenue not received at year end is recorded as deferred revenue. Property tax revenue is recognized on a budget basis at the point in time that the tax is levied. Accordingly, property tax revenues in the budgetary comparisons (budget basis) for the general fund is less than the corresponding revenues in the fund financial statements by \$561. The Debt Service Fund's property tax revenues on a budget basis were \$101 more than the corresponding revenues in the fund financial statements.

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**Supplementary Information**

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

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## Nonmajor Governmental Funds Special Revenue Funds

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

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

---

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

---

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

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

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

---

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

---

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

---

Neighborhood Improvement District Fund - Used to account for the use of bond proceeds for infrastructure improvements in the Crown Colony Phase One neighborhood improvement district.

---

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

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

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# CITY OF ST. PETERS, MISSOURI

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

September 30, 2006

	Drug Enforcement Agency Fund	Recreation Fund	Sewer Lateral Repair Program Fund	Special Allocation Funds			Community Development Block Grant Fund	Neighborhood Improvement District Fund	Local Parks And Stormwater Fund	Post Employment Benefits Fund	Total
				City Centre	Old Town	Lakeside Redevelopment					
<b>Assets</b>											
Cash and cash equivalents - held by trustee	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Cash and cash equivalents - unrestricted	125,222	903,315	1,116,884	4,997,102	2,715,675	29,615	—	33,594	691,182	2,566,438	13,179,027
Cash and cash equivalents - restricted	—	—	—	44	—	—	—	—	—	—	44
Receivables, net of allowances:											
Taxes	—	—	—	269,794	—	—	—	—	88,917	—	358,711
Intergovernmental	—	—	—	—	—	—	59,503	—	—	—	59,503
Accrued Interest	—	—	—	—	—	—	—	—	—	70,908	70,908
Other	—	54,427	5,096	4,670	9,869	—	51,845	52,700	4,533	463	183,603
Long-term receivables	—	—	—	—	—	—	796,767	—	—	—	796,767
Inventory/prepays	—	21,784	—	—	—	—	—	—	—	—	21,784
<b>Total Assets</b>	<b>\$ 125,222</b>	<b>\$ 979,526</b>	<b>\$ 1,121,980</b>	<b>\$ 5,271,610</b>	<b>\$ 2,725,544</b>	<b>\$ 29,615</b>	<b>\$ 908,115</b>	<b>\$ 86,294</b>	<b>\$ 784,632</b>	<b>\$ 2,637,809</b>	<b>\$ 14,670,347</b>
<b>Liabilities And Fund Balances</b>											
<b>Liabilities</b>											
Accounts payable	\$ —	\$ 87,958	\$ 697	\$ —	\$ —	\$ —	\$ 4,468	\$ 33,594	\$ 16,746	\$ —	\$ 143,463
Accrued liabilities	—	35,089	—	—	—	—	541	—	—	—	35,630
Deposits/guarantee bonds	—	134,578	5,800	—	—	—	—	—	—	—	140,378
Due to other funds	—	77,503	—	925,040	—	—	58,098	—	—	—	1,060,641
Deferred revenue	—	150,170	—	—	—	—	—	52,700	—	3,726	206,596
Other liabilities	—	558	—	—	—	—	—	—	—	—	558
<b>Total Liabilities</b>	<b>—</b>	<b>485,856</b>	<b>6,497</b>	<b>925,040</b>	<b>—</b>	<b>—</b>	<b>63,107</b>	<b>86,294</b>	<b>16,746</b>	<b>3,726</b>	<b>1,587,266</b>
<b>Fund Balances</b>											
Reserved for encumbrances	—	4,840	—	—	1,124,722	—	—	—	1,470	—	1,131,032
Reserved for capital improvements	—	132,514	—	—	—	—	—	—	315,000	—	447,514
Reserved for inventory/prepays	—	21,784	—	—	—	—	—	—	—	—	21,784
Reserved for long-term loans	—	—	—	—	—	—	796,767	—	—	—	796,767
Reserved for medical insurance	—	—	—	—	—	—	—	—	—	—	—
Reserved for natatorium foundation	—	—	—	—	—	—	—	—	—	—	—
Unreserved - undesignated	125,222	334,532	1,115,483	4,346,570	1,600,822	29,615	48,241	—	451,416	2,634,083	10,685,984
<b>Total Fund Balances</b>	<b>125,222</b>	<b>493,670</b>	<b>1,115,483</b>	<b>4,346,570</b>	<b>2,725,544</b>	<b>29,615</b>	<b>845,008</b>	<b>—</b>	<b>767,886</b>	<b>2,634,083</b>	<b>13,083,081</b>
<b>Total Liabilities And Fund Balances</b>	<b>\$ 125,222</b>	<b>\$ 979,526</b>	<b>\$ 1,121,980</b>	<b>\$ 5,271,610</b>	<b>\$ 2,725,544</b>	<b>\$ 29,615</b>	<b>\$ 908,115</b>	<b>\$ 86,294</b>	<b>\$ 784,632</b>	<b>\$ 2,637,809</b>	<b>\$ 14,670,347</b>



# CITY OF ST. PETERS, MISSOURI

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS For The Year Ended September 30, 2006

	Drug Enforcement Agency	Recreation Fund	Sewer Lateral Repair Program Fund	Special Allocation Funds			Community Development Block Grant Fund	Neighborhood Improvement District Fund	Local Parks And Stormwater Fund	Post Employment Benefits Fund	Total
				City Centre	Old Town	Lakeside Redevelopment					
<b>Revenues</b>											
Sales tax	\$ —	\$ —	\$ —	\$ 2,234,173	\$ 526,909	\$ 6,511	\$ —	\$ —	\$ 1,126,750	\$ —	\$ 3,894,343
Property tax	—	—	—	2,438,042	396,046	23,195	—	—	—	—	2,857,283
Utility franchise tax	—	—	—	2,558	—	—	—	—	—	—	2,558
Special assessment	—	—	—	—	—	—	—	215,839	—	—	215,839
Interest	6,028	44,399	45,925	200,469	115,729	2,140	37	—	24,759	110,682	550,168
Intergovernmental	—	—	—	—	—	—	239,755	—	—	—	239,755
Charges for services	—	3,699,718	495,593	—	—	—	—	—	—	—	4,195,311
Miscellaneous	—	60,778	—	—	1,140	—	—	—	2,760	65,300	129,978
<b>Total Revenues</b>	<b>6,028</b>	<b>3,804,895</b>	<b>541,518</b>	<b>4,875,242</b>	<b>1,039,824</b>	<b>31,846</b>	<b>239,792</b>	<b>215,839</b>	<b>1,154,269</b>	<b>175,982</b>	<b>12,085,235</b>
<b>Expenditures</b>											
General government	—	—	—	861,220	206,563	3,482	116,934	—	—	227,925	1,416,124
Public safety	327	—	—	—	—	—	—	—	—	—	327
Public works	—	—	130,489	—	49,787	—	—	256,939	423,316	—	860,531
Parks and recreation	—	3,728,628	—	—	—	—	—	—	565,924	—	4,294,552
Engineering	—	—	—	—	—	—	2,277	—	—	—	2,277
Capital outlay	—	—	—	925,040	—	—	3,100	—	—	—	928,140
Debt service											
Principal retirement	—	—	—	582,295	—	—	—	—	—	—	582,295
Interest and fiscal charges	—	—	—	1,318,538	—	25,000	—	11,600	—	—	1,355,138
<b>Total Expenditures</b>	<b>327</b>	<b>3,728,628</b>	<b>130,489</b>	<b>3,687,093</b>	<b>256,350</b>	<b>28,482</b>	<b>122,311</b>	<b>268,539</b>	<b>989,240</b>	<b>227,925</b>	<b>9,439,384</b>
<b>Revenues Over (Under) Expenditures</b>	<b>5,701</b>	<b>76,267</b>	<b>411,029</b>	<b>1,188,149</b>	<b>783,474</b>	<b>3,364</b>	<b>117,481</b>	<b>(52,700)</b>	<b>165,029</b>	<b>(51,943)</b>	<b>2,645,851</b>
<b>Other Financing Sources (Uses)</b>											
Transfers in	—	—	—	—	—	—	—	—	—	350,000	350,000
Transfers out	—	(12,500)	—	—	—	—	—	—	—	—	(12,500)
Issuance of debt	—	—	—	—	—	—	—	52,700	—	—	52,700
<b>Total Other Financing Sources (Uses)</b>	<b>—</b>	<b>(12,500)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>52,700</b>	<b>—</b>	<b>350,000</b>	<b>390,200</b>
<b>Net Changes In Fund Balances</b>	<b>5,701</b>	<b>63,767</b>	<b>411,029</b>	<b>1,188,149</b>	<b>783,474</b>	<b>3,364</b>	<b>117,481</b>	<b>—</b>	<b>165,029</b>	<b>298,057</b>	<b>3,036,051</b>
<b>Fund Balances</b>											
Beginning of year	119,521	429,903	704,454	3,158,421	1,942,070	26,251	727,527	—	602,857	2,336,026	10,047,030
End of year	\$ 125,222	\$ 493,670	\$ 1,115,483	\$ 4,346,570	\$ 2,725,544	\$ 29,615	\$ 845,008	\$ —	\$ 767,886	\$ 2,634,083	\$ 13,083,081

# CITY OF ST. PETERS, MISSOURI

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

Page 1 Of 3

For The Year Ended September 30, 2006

	Drug Enforcement Agency Fund			Recreation Fund			Sewer Lateral Repair Program Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<b>Revenues</b>									
Interest	\$ —	\$ 6,028	\$ 6,028	\$ 15,000	\$ 44,399	\$ 29,399	\$ —	\$ 45,925	\$ 45,925
Charges for services	—	—	—	3,645,925	3,699,718	53,793	500,000	495,593	(4,407)
Miscellaneous	—	—	—	92,000	60,778	(31,222)	—	—	—
<b>Total Revenues</b>	<b>—</b>	<b>6,028</b>	<b>6,028</b>	<b>3,752,925</b>	<b>3,804,895</b>	<b>51,970</b>	<b>500,000</b>	<b>541,518</b>	<b>41,518</b>
<b>Expenditures</b>									
Public safety	—	(224)	224	—	—	—	—	—	—
Public works	—	—	—	—	—	—	1,204,454	130,489	1,073,965
Parks and recreation	—	—	—	3,760,470	3,702,593	57,877	—	—	—
<b>Total Expenditures</b>	<b>—</b>	<b>(224)</b>	<b>224</b>	<b>3,760,470</b>	<b>3,702,593</b>	<b>57,877</b>	<b>1,204,454</b>	<b>130,489</b>	<b>1,073,965</b>
<b>Revenues Over (Under) Expenditures</b>	<b>—</b>	<b>6,252</b>	<b>6,252</b>	<b>(7,545)</b>	<b>102,302</b>	<b>109,847</b>	<b>(704,454)</b>	<b>411,029</b>	<b>1,115,483</b>
<b>Other Financing Sources (Uses)</b>									
Transfers out	—	—	—	(12,500)	(12,500)	—	—	—	—
<b>Revenues And Other Financing Sources Over (Under) Expenditures</b>	<b>—</b>	<b>6,252</b>	<b>6,252</b>	<b>(20,045)</b>	<b>89,802</b>	<b>109,847</b>	<b>(704,454)</b>	<b>411,029</b>	<b>1,115,483</b>
<b>Fund Balances</b>									
Budget basis:									
Unreserved:									
Beginning of year	118,970	118,970	—	241,082	241,082	—	704,454	704,454	—
Transfers from (to) reserved	—	—	—	—	25,432	25,432	—	—	—
End of year	118,970	125,222	6,252	221,037	356,316	135,279	—	1,115,483	1,115,483
Reserved:									
Beginning of year	—	—	—	157,946	157,946	—	—	—	—
Transfers from (to) unreserved	—	—	—	—	(25,432)	(25,432)	—	—	—
End of year	—	—	—	157,946	132,514	(25,432)	—	—	—
Budget basis, end of year	<u>\$ 118,970</u>	<u>125,222</u>	<u>\$ 6,252</u>	<u>\$ 378,983</u>	<u>488,830</u>	<u>\$ 109,847</u>	<u>\$ —</u>	<u>1,115,483</u>	<u>\$ 1,115,483</u>
Encumbrances, end of year	—	—	—	—	4,840	—	—	—	—
GAAP basis, end of year		<u>\$ 125,222</u>			<u>\$ 493,670</u>			<u>\$ 1,115,483</u>	

(Continued)

# CITY OF ST. PETERS, MISSOURI

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

Page 2 Of 3

For The Year Ended September 30, 2006

	Special Allocation Fund - City Centre			Special Allocation Fund - Old Town			Special Allocation Fund - Lakeside Redevelopment		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
	<b>Revenues</b>								
Sales tax	\$ 2,343,640	\$ 2,234,173	\$ (109,467)	\$ 286,000	\$ 526,909	\$ 240,909	\$ 6,240	\$ 6,511	\$ 271
Property tax	2,000,000	2,438,042	438,042	375,000	396,046	21,046	20,500	23,195	2,695
Utility franchise tax	—	2,558	2,558	—	—	—	—	—	—
Interest	20,000	200,469	180,469	2,000	115,729	113,729	—	2,140	2,140
Miscellaneous	—	—	—	—	1,140	1,140	—	—	—
<b>Total Revenues</b>	<b>4,363,640</b>	<b>4,875,242</b>	<b>511,602</b>	<b>663,000</b>	<b>1,039,824</b>	<b>376,824</b>	<b>26,740</b>	<b>31,846</b>	<b>5,106</b>
<b>Expenditures</b>									
General government	844,374	861,220	(16,846)	212,365	206,563	5,802	5,491	3,482	2,009
Capital Outlay	1,000,000	925,040	74,960	—	—	—	—	—	—
Public Works	—	—	—	1,919,000	1,174,509	744,491	—	—	—
Debt service	1,904,000	1,900,833	3,167	—	—	—	25,000	25,000	—
<b>Total Expenditures</b>	<b>3,748,374</b>	<b>3,687,093</b>	<b>61,281</b>	<b>2,131,365</b>	<b>1,381,072</b>	<b>750,293</b>	<b>30,491</b>	<b>28,482</b>	<b>2,009</b>
<b>Revenues Over (Under) Expenditures</b>	<b>615,266</b>	<b>1,188,149</b>	<b>572,883</b>	<b>(1,468,365)</b>	<b>(341,248)</b>	<b>1,127,117</b>	<b>(3,751)</b>	<b>3,364</b>	<b>7,115</b>
<b>Fund Balances</b>									
Budget basis:									
Unreserved:									
Beginning of year	1,818,542	1,818,542	—	1,942,070	1,942,070	—	26,251	26,251	—
Transfers (to) from reserved	(57,100)	(317,281)	(260,181)	—	—	—	—	—	—
End of year	2,376,708	2,689,410	312,702	473,705	1,600,822	1,127,117	22,500	29,615	7,115
Reserved:									
Beginning of year	1,339,879	1,339,879	—	—	—	—	—	—	—
Transfers (to) from unreserved	57,100	317,281	260,181	—	—	—	—	—	—
End of year	1,396,979	1,657,160	260,181	—	—	—	—	—	—
Budget basis, end of year	<u>\$ 3,773,687</u>	<u>4,346,570</u>	<u>\$ 572,883</u>	<u>\$ 473,705</u>	<u>1,600,822</u>	<u>\$ 1,127,117</u>	<u>\$ 22,500</u>	<u>29,615</u>	<u>\$ 7,115</u>
Encumbrances, end of year		—			1,124,722			—	
GAAP basis, end of year		<u>\$ 4,346,570</u>			<u>\$ 2,725,544</u>			<u>\$ 29,615</u>	

(Continued)

# CITY OF ST. PETERS, MISSOURI

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

Page 3 Of 3

For The Year Ended September 30, 2006

	Community Development Block Grant Fund			Local Parks And Storm Water Fund			Post-Employment Benefits Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
<b>Revenues</b>									
Sales tax	\$ —	\$ —	\$ —	\$ 1,200,000	\$ 1,126,750	\$ (73,250)	\$ —	\$ —	\$ —
Interest	—	37	37	8,500	24,759	16,259	110,000	110,682	682
Intergovernmental	426,133	239,755	(186,378)	—	—	—	—	—	—
Charges for services	—	64,742	64,742	—	—	—	—	—	—
Miscellaneous	—	—	—	1,750	2,762	1,012	65,000	65,300	300
<b>Total Revenues</b>	<b>426,133</b>	<b>304,534</b>	<b>(121,599)</b>	<b>1,210,250</b>	<b>1,154,271</b>	<b>(55,979)</b>	<b>175,000</b>	<b>175,982</b>	<b>982</b>
<b>Expenditures</b>									
General government	391,274	299,170	92,104	—	—	—	307,000	227,925	79,075
Public works	33,372	3,100	30,272	659,360	411,661	247,699	—	—	—
Engineering	1,500	2,277	(777)	—	—	—	—	—	—
Parks and recreation	—	—	—	563,000	508,302	54,698	—	—	—
<b>Total Expenditures</b>	<b>426,146</b>	<b>304,547</b>	<b>121,599</b>	<b>1,222,360</b>	<b>919,963</b>	<b>302,397</b>	<b>307,000</b>	<b>227,925</b>	<b>79,075</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(13)</b>	<b>(13)</b>	<b>—</b>	<b>(12,110)</b>	<b>234,308</b>	<b>246,418</b>	<b>(132,000)</b>	<b>(51,943)</b>	<b>80,057</b>
<b>Other Financing Sources</b>									
Transfers in	—	—	—	—	—	—	350,000	350,000	—
<b>Revenues And Other Financing Sources Over Expenditures</b>	<b>(13)</b>	<b>(13)</b>	<b>—</b>	<b>(12,110)</b>	<b>234,308</b>	<b>246,418</b>	<b>218,000</b>	<b>298,057</b>	<b>80,057</b>
<b>Fund Balances</b>									
Budget basis:									
Unreserved:									
Beginning of year	13	13	—	217,110	217,110	—	2,336,026	2,336,026	—
Transfers from (to) reserved	—	—	—	(5,000)	—	(5,000)	—	—	—
End of year	—	—	—	200,000	451,418	251,418	2,554,026	2,634,083	80,057
Reserved:									
Beginning of year	—	—	—	315,000	315,000	—	—	—	—
Transfers from (to) unreserved	—	—	—	5,000	—	5,000	—	—	—
End of year	—	—	—	320,000	315,000	(5,000)	—	—	—
Budget basis, end of year	<u>\$ —</u>	<u>—</u>	<u>\$ —</u>	<u>\$ 520,000</u>	<u>766,418</u>	<u>\$ 246,418</u>	<u>\$ 2,554,026</u>	<u>2,634,083</u>	<u>\$ 80,057</u>
Budget basis grant income					(2)				
GAAP basis receivables		845,008							
Encumbrances, end of year		—			1,470				
<b>GAAP basis, end of year</b>		<u><b>\$ 845,008</b></u>			<u><b>\$ 767,886</b></u>			<u><b>\$ 2,634,083</b></u>	

# CITY OF ST. PETERS, MISSOURI

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

For The Year Ended September 30, 2006

	Revised Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues</b>			
Property tax	\$ 2,427,700	\$ 2,460,921	\$ 33,221
Interest	60,000	168,922	108,922
Miscellaneous	—	34,296	34,296
<b>Total Revenues</b>	<b>2,487,700</b>	<b>2,664,139</b>	<b>176,439</b>
<b>Expenditures</b>			
Debt service	4,248,550	4,203,929	44,621
<b>Revenues Under Expenditures</b>	<b>(1,760,850)</b>	<b>(1,539,790)</b>	<b>221,060</b>
<b>Fund Balances</b>			
Budget basis:			
Unreserved:			
Beginning of year	2,898,021	2,898,021	—
End of year	1,137,171	1,358,231	221,060
Budget basis, end of year	<u>\$ 1,137,171</u>	<u>1,358,231</u>	<u>\$ 221,060</u>
Property tax - deferred revenue, end of year		(50,382)	
GAAP basis, end of year		<u>\$ 1,307,849</u>	

**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, 2006**

	<b>Revised Final Budget</b>	<b>Actual*</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Water and sewer	\$ 6,672,000	\$ 6,797,026	\$ 125,026
Interest	100,000	225,603	125,603
Miscellaneous	1,169,000	1,537,684	368,684
<b>Total Revenues</b>	<b>7,941,000</b>	<b>8,560,313</b>	<b>619,313</b>
<b>Expenses</b>			
Personnel costs	2,938,370	2,647,266	291,104
Utilities	461,650	442,700	18,950
Purchased water	690,000	627,681	62,319
Wastewater treatment costs	90,000	70,239	19,761
Repairs and maintenance	653,130	583,418	69,712
Professional services	551,600	530,468	21,132
Gas and fuel	54,000	85,337	(31,337)
Rent	24,000	16,073	7,927
Supplies and other expenses	791,250	846,333	(55,083)
<b>Total Expenses</b>	<b>6,254,000</b>	<b>5,849,515</b>	<b>404,485</b>
<b>Net Revenues Before Capital Expenditures And Debt Service And Fees</b>			
	1,687,000	2,710,798	1,023,798
<b>Capital Expenditures</b>	182,570	141,471	41,099
<b>Debt Service And Fees</b>	1,560,000	1,544,596	15,404
<b>Revenues Over (Under) Expenses</b>	<b>\$ (55,570)</b>	<b>\$ 1,024,731</b>	<b>\$ 1,080,301</b>

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

**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -  
BUDGET BASIS - ENTERPRISE FUND - SOLID WASTE FUND  
For The Year Ended September 30, 2006**

	<b>Revised Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Trash collection	\$ 3,788,000	\$ 3,869,659	\$ 81,659
Miscellaneous	94,000	129,787	35,787
Interest	—	1,313	1,313
<b>Total Revenues</b>	<b>3,882,000</b>	<b>4,000,759</b>	<b>118,759</b>
<b>Expenses</b>			
Personnel costs	1,681,970	1,639,564	42,406
Utilities	15,400	15,443	(43)
Landfill fees	1,031,000	874,027	156,973
Repairs and maintenance	251,700	330,702	(79,002)
Capital expenditures	845,500	793,745	51,755
Professional services	49,580	11,164	38,416
Gas and fuel	108,000	164,683	(56,683)
Rent	5,150	139	5,011
Other expenses	251,250	234,386	16,864
<b>Total Expenses</b>	<b>4,239,550</b>	<b>4,063,853</b>	<b>175,697</b>
<b>Expenses Over Revenues</b>	<b>\$ (357,550)</b>	<b>\$ (63,094)</b>	<b>\$ 294,456</b>

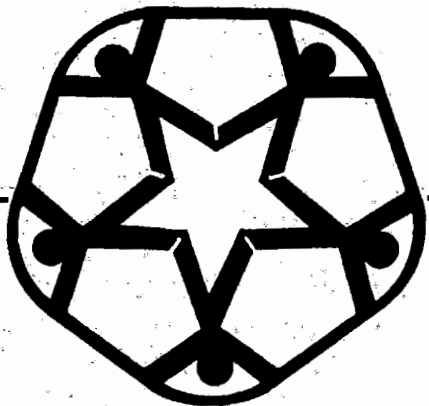
**CITY OF ST. PETERS, MISSOURI**

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -  
BUDGET BASIS - ENTERPRISE FUND -  
CENTRAL MATERIALS PROCESSING FACILITY FUND  
For The Year Ended September 30, 2006**

	<b>Revised Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget - Positive (Negative)</b>
<b>Revenues</b>			
Tipping fees	\$ 1,599,000	\$ 1,388,069	\$ (210,931)
Recycling fees	546,500	539,660	(6,840)
Sales of recyclables	959,500	839,222	(120,278)
Earth Centre	200,000	236,311	36,311
Interest	5,000	45,075	40,075
Miscellaneous	37,000	20,286	(16,714)
<b>Total Revenues</b>	<b>3,347,000</b>	<b>3,068,623</b>	<b>(278,377)</b>
<b>Expenses</b>			
Personnel costs	1,568,980	1,299,252	269,728
Landfill fees	1,148,000	1,051,679	96,321
Utilities	71,800	58,537	13,263
Capital expenditures	144,500	24,376	120,124
Professional services	13,150	11,312	1,838
Repairs and maintenance	73,800	82,779	(8,979)
Gas and fuel	21,000	38,257	(17,257)
Supplies and other expense	612,940	585,464	27,476
<b>Total Expenses</b>	<b>3,654,170</b>	<b>3,151,656</b>	<b>502,514</b>
<b>Expenses Over Revenues</b>	<b>\$ (307,170)</b>	<b>\$ (83,033)</b>	<b>\$ 224,137</b>



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## Part III - Statistical Section

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**Schedule 1**  
**City of St. Peters**  
**Net Assets by Component**  
**Last Four Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year			
	2003	2004	2005	2006 (1)
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 17,817,073	\$ 38,538,829	\$ 48,650,137	\$ 241,816,941
Restricted for Capital Projects	3,144,994	1,637,801	7,119,355	14,774,979
Restricted for Debt Service	1,860,174	2,034,833	2,847,740	1,307,849
Restricted for Other Purposes	2,056,942	2,169,874	—	—
Unrestricted	19,425,271	19,350,046	15,789,770	21,251,441
<b>Total governmental activities net assets</b>	<b>\$ 44,304,454</b>	<b>\$ 63,731,383</b>	<b>\$ 74,407,002</b>	<b>\$ 279,151,210</b>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 19,933,025	\$ 20,257,573	\$ 20,726,775	\$ 22,491,148
Restricted for Capital Projects	—	—	—	—
Restricted for Debt Service	4,700,413	5,290,157	5,684,152	6,990,365
Restricted for Other Purposes	—	—	—	—
Unrestricted	11,161,512	10,573,701	11,174,468	9,580,106
<b>Total business-type activities net assets</b>	<b>\$ 35,794,950</b>	<b>\$ 36,121,431</b>	<b>\$ 37,585,395</b>	<b>\$ 39,061,619</b>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 37,750,098	\$ 58,796,402	\$ 69,376,912	\$ 264,308,089
Restricted for Capital Projects	3,144,994	1,637,801	7,119,355	14,774,979
Restricted for Debt Service	6,560,587	7,324,990	8,531,892	8,298,214
Restricted for Other Purposes	2,056,942	2,169,874	—	—
Unrestricted	30,586,783	29,923,747	26,964,238	30,831,547
<b>Total primary government net assets</b>	<b>\$ 80,099,404</b>	<b>\$ 99,852,814</b>	<b>\$ 111,992,397</b>	<b>\$ 318,212,829</b>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

(1) In 2006, the City started reporting its infrastructure retroactively.

Source: Basic financial statements.

**Schedule 2**  
**City of St. Peters**  
**Changes in Net Assets**  
**Last Four Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year			
	2003	2004	2005	2006
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government	\$ 1,918,385	\$ 2,480,263	\$ 3,153,690	\$ 4,414,387
Administration	5,813,016	5,262,781	5,142,485	4,679,329
Police	8,586,747	8,520,256	9,106,695	9,626,373
Municipal Court	294,193	324,357	355,325	360,009
Public Works	5,456,970	4,771,304	6,719,849	11,304,991
Engineering	2,012,693	2,139,381	2,070,918	2,584,427
Maintenance	878,392	799,725	729,378	967,257
Health	564,390	591,484	577,925	582,359
Parks and Recreation	8,092,134	8,789,938	8,845,727	9,112,915
Community Relations	807,688	855,073	826,583	876,912
Community & Arts	366,784	310,754	290,478	256,880
Interest on Long Term Debt	2,265,041	1,983,033	2,148,903	2,748,833
<b>Total governmental activities expenses</b>	<b>37,056,433</b>	<b>36,828,349</b>	<b>39,967,956</b>	<b>47,514,672</b>
<b>Business-type activities:</b>				
Waterworks/Sanitary Sewer	7,189,717	7,944,078	8,136,178	8,439,318
Solid Waste	2,871,588	3,176,106	3,367,321	3,558,062
Public Improvement Corporation	764,809	1,149,042	1,156,888	1,100,309
Central Materials Processing Facility	3,528,825	3,142,558	3,306,561	3,381,029
<b>Total business-type activities expenses</b>	<b>14,354,939</b>	<b>15,411,784</b>	<b>15,966,746</b>	<b>16,478,718</b>
<b>Total primary government expenses</b>	<b>\$ 51,411,372</b>	<b>\$ 52,240,133</b>	<b>\$ 55,934,702</b>	<b>\$ 63,993,390</b>
<b>Program Revenues</b>				
<b>Governmental activities:</b>				
<b>Charges for services:</b>				
General government	\$ 893,171	\$ 1,274,215	\$ 1,434,577	\$ 2,082,925
Administration	—	—	—	—
Police	1,433,807	1,689,862	1,595,803	2,238,900
Municipal Court	—	—	—	—
Public Works	7,009	5,440	516,937	718,062
Engineering	—	—	—	—
Maintenance	—	—	—	—
Health	10,972	11,629	11,652	21,400
Parks and Recreation	3,290,389	3,567,199	3,331,353	3,743,865
Community Relations	86,683	88,480	94,279	90,591
Community & Arts	111,211	103,348	123,875	124,970
Operating grants and contributions	3,310,766	3,539,346	3,534,260	3,623,735
Capital grants and contributions	3,951,170	6,235,077	4,094,689	7,785,280
<b>Total governmental activities program revenues</b>	<b>13,095,178</b>	<b>16,514,596</b>	<b>14,737,425</b>	<b>20,429,728</b>
<b>Business-type activities:</b>				
<b>Charges for services:</b>				
Waterworks/Sanitary Sewer	7,227,302	7,495,672	8,384,200	8,580,469
Solid Waste	2,836,216	3,147,922	3,636,949	3,974,228
Public Improvement Corporation	—	—	—	—
Central Materials Processing Facility	3,637,223	3,508,675	3,240,202	3,021,534
Operating grants and contributions	758,055	868,789	1,293,479	1,255,040
Capital grants and contributions	298,427	630,212	530,759	234,097
<b>Total business-type activities program revenues</b>	<b>14,757,223</b>	<b>15,651,270</b>	<b>17,085,589</b>	<b>17,065,368</b>
<b>Total primary government program revenues</b>	<b>\$ 27,852,401</b>	<b>\$ 32,165,866</b>	<b>\$ 31,823,014</b>	<b>\$ 37,495,096</b>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Source: Basic financial statements.

**Schedule 2a**  
**City of St. Peters**  
**Changes in Net Assets (Continued)**  
**Last Four Fiscal Years**  
*(accrual basis of accounting)*

	Fiscal Year			
	2003	2004	2005	2006
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (23,961,255)	\$ (20,313,753)	\$ (25,230,531)	\$ (27,084,944)
Business-type activities	402,284	239,486	1,118,843	586,650
Total primary government net expense	<u>\$ (23,558,971)</u>	<u>\$ (20,074,267)</u>	<u>\$ (24,111,688)</u>	<u>\$ (26,498,294)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes				
Property taxes levied for General Purposes	\$ 5,319,788	\$ 5,345,877	\$ 5,444,307	\$ 5,754,221
Property taxes levied for Debt Service	2,067,646	2,244,013	2,277,665	2,460,820
Property taxes levied for Tax Increment Financing Districts	1,435,396	1,832,303	2,542,597	2,857,283
Sales taxes levied for General Purposes	10,510,456	10,957,062	11,350,867	11,416,073
Sales taxes levied for Transportation Purposes	5,255,188	5,478,536	5,675,421	5,706,975
Sales taxes levied for Park and Storm Water Purposes	1,036,575	1,081,465	1,120,688	1,126,750
Sales taxes levied for Tax Increment Financing Districts	1,951,088	2,182,219	2,422,100	2,767,595
Franchise and public service taxes	2,692,959	2,823,306	3,073,690	3,269,630
Sewer Lateral Repair Fee	—	480,541	—	—
Earnings on investments	767,316	354,629	794,416	2,220,645
Other Revenue	1,430,292	479,869	516,637	1,423,234
Gain (Loss) on Sale of Security	—	117,714	—	—
Gain (Loss) on Sale of Capital Assets	(108,304)	237,001	—	20,328,060
Transfers	—	120,400	61,000	72,500
Total governmental activities	<u>32,358,400</u>	<u>33,734,935</u>	<u>35,279,388</u>	<u>59,403,786</u>
Business-type activities:				
Earnings on investments	142,102	207,395	406,121	759,658
Gain (Loss) on Sale of Capital Assets	—	—	—	202,416
Transfers	—	(120,400)	(61,000)	(72,500)
Total business-type activities	<u>142,102</u>	<u>86,995</u>	<u>345,121</u>	<u>889,574</u>
Total primary government	<u>\$ 32,500,502</u>	<u>\$ 33,821,930</u>	<u>\$ 35,624,509</u>	<u>\$ 60,293,360</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ 8,397,145	\$ 13,421,182	\$ 10,048,857	\$ 32,318,842
Business-type activities	544,386	326,481	1,463,964	1,476,224
Total primary government	<u>\$ 8,941,531</u>	<u>\$ 13,747,663</u>	<u>\$ 11,512,821</u>	<u>\$ 33,795,066</u>

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Source: Basic financial statements.

**Schedule 3**  
**City of St. Peters**  
**Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Fund</b>										
Reserved for Encumbrances	\$ 617,061	\$ 662,616	\$ 1,157,348	\$ 974,906	\$ 1,034,818	\$ 660,161	\$ 431,094	\$ 382,180	\$ 465,563	\$ 372,189
Reserved for Capital Improvements	—	—	—	—	—	—	—	—	—	4,000,000
Reserved for Storm Water Management	242,016	264,026	273,275	150,871	164,763	184,008	189,719	223,172	223,173	85,286
Reserved for Inventory/Prepaid	164,185	290,004	251,342	548,704	919,095	784,863	827,345	867,637	873,131	796,763
Reserved for Long-Term Receivables	—	—	—	—	—	—	—	—	—	—
Reserved for Other Projects	311,720	282,381	823,379	1,392,736	1,300,809	1,393,403	2,692,157	2,932,610	780,609	524,527
Unreserved	6,371,497	8,964,779	6,850,476	4,230,066	1,303,598	3,813,463	3,344,086	4,161,091	4,248,705	5,502,409
<b>Total general fund</b>	<b>\$ 7,706,479</b>	<b>\$ 10,463,806</b>	<b>\$ 9,355,820</b>	<b>\$ 7,297,283</b>	<b>\$ 4,723,083</b>	<b>\$ 6,835,898</b>	<b>\$ 7,484,401</b>	<b>\$ 8,566,690</b>	<b>\$ 6,591,181</b>	<b>\$ 11,281,174</b>
<b>All Other Governmental Funds</b>										
Reserved for Encumbrances	\$ 3,124,708	\$ 5,582,342	\$ 4,159,503	\$ 2,258,191	\$ 3,524,617	\$ 3,492,964	\$ 7,546,759	\$ 2,127,464	\$ 4,865,217	\$ 3,936,558
Reserved for Capital Improvements	251,237	304,719	307,522	403,480	378,568	334,726	147,457	455,307	472,945	447,514
Reserved for Storm Water Management	—	—	—	—	—	—	—	—	—	—
Reserved for Inventory/Prepaid	113,586	118,620	133,556	7,138	8,990	9,358	14,703	20,909	27,087	23,506
Reserved for Long-Term Receivables	—	—	—	—	—	—	306,103	519,773	727,514	796,767
Reserved for Other Projects	2,396,859	2,531,864	3,389,560	3,361,749	2,645,139	2,198,994	2,086,042	2,199,874	—	—
Unreserved, reported in:										
Special revenue funds	15,175,506	12,443,858	8,498,242	10,058,101	7,858,582	8,565,757	5,022,374	8,898,714	11,268,978	16,299,128
Debt service funds	1,138,767	1,202,106	970,755	1,381,538	1,719,317	1,865,237	1,860,174	2,034,833	2,847,740	1,307,849
Capital projects funds	2,545,526	1,548,745	1,844,191	6,297,029	5,879,742	4,214,598	3,144,994	1,637,801	22,598,170	5,907,073
<b>Total all other governmental funds</b>	<b>\$ 24,746,189</b>	<b>\$ 23,732,254</b>	<b>\$ 19,303,329</b>	<b>\$ 23,767,226</b>	<b>\$ 22,014,955</b>	<b>\$ 20,681,634</b>	<b>\$ 20,128,606</b>	<b>\$ 17,894,675</b>	<b>\$ 42,807,651</b>	<b>\$ 28,718,395</b>

Note: Increased fund balance in 2005 resulted primarily from a \$22,500,000 bond issue for capital projects, and Reserved for Other Projects declined when the City began reporting the Natatorium Foundation as a component unit.

Source: Basic financial statements.

**Schedule 4**  
**City of St. Peters**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues</b>										
Sales Tax (1)	\$ 12,935,016	\$ 13,789,359	\$ 14,045,428	\$ 15,787,918	\$ 16,579,729	\$ 18,799,467	\$ 18,753,307	\$ 19,699,282	\$ 20,569,091	\$ 21,017,391
Use Tax (2)	—	1,289,016	—	—	—	—	—	—	—	—
Property Tax (3)	5,134,120	6,094,703	6,542,005	7,190,831	7,467,135	8,166,425	8,513,746	9,439,098	10,292,983	11,069,439
Utility Franchise Tax	2,077,544	2,223,905	2,198,643	2,303,857	2,830,813	2,563,123	2,692,959	2,823,306	3,073,693	3,269,630
Special Assessment	—	—	—	—	—	—	—	—	—	215,839
Cigarette Tax	224,199	252,456	242,816	222,543	214,221	206,383	202,503	212,994	189,403	203,416
Licenses and Permits	375,905	388,883	476,393	643,118	926,193	1,030,145	844,571	1,167,388	1,312,320	1,950,438
Interest	1,880,054	2,473,296	1,903,804	1,509,301	1,464,131	589,411	776,385	472,343	794,421	2,220,644
Intergovernmental	4,484,076	5,086,489	4,201,434	4,920,725	5,762,672	6,501,077	5,278,697	6,999,736	5,880,363	6,731,969
Fines and Forfeitures	700,143	761,982	1,042,820	968,542	981,851	1,372,841	1,353,080	1,572,793	1,504,269	1,985,297
Charges for Services	3,013,697	3,585,519	3,624,722	3,396,204	3,294,206	3,499,166	3,560,744	4,340,727	4,109,749	4,694,036
Miscellaneous	318,588	504,325	667,330	1,229,760	828,726	2,342,512	1,903,093	618,681	860,653	1,779,408
<b>Total revenues</b>	<b>31,143,342</b>	<b>36,449,933</b>	<b>34,945,393</b>	<b>38,172,799</b>	<b>40,349,677</b>	<b>45,070,550</b>	<b>43,879,085</b>	<b>47,546,348</b>	<b>48,586,945</b>	<b>55,137,507</b>
<b>Expenditures</b>										
General government	643,272	612,711	930,975	1,787,875	2,815,951	1,507,248	1,670,032	2,138,722	2,908,197	2,740,191
Administration	3,302,228	3,485,844	4,458,296	5,071,723	5,360,095	5,587,177	5,499,898	5,022,275	5,025,680	4,732,115
Police	4,674,647	5,034,942	6,352,160	7,324,170	8,100,652	8,199,622	8,329,325	8,478,745	8,989,169	9,649,419
Municipal Court	122,810	173,871	195,801	217,096	245,471	262,991	292,982	324,432	353,214	359,395
Public Works	2,003,911	2,057,084	5,082,548	4,895,343	5,789,860	5,542,950	5,612,441	5,794,336	6,774,954	7,560,368
Engineering	1,386,313	1,329,309	1,741,928	1,660,934	1,825,392	1,902,461	1,805,371	2,122,459	2,058,782	2,528,071
Maintenance	656,338	653,291	672,597	659,680	705,693	713,071	748,045	729,127	708,484	713,904
Health	345,540	349,800	441,179	453,638	516,860	569,180	522,844	536,982	561,370	557,632
Parks and Recreation	4,801,042	6,434,802	7,394,972	7,710,602	7,837,967	7,542,068	7,655,882	8,285,927	8,394,205	9,043,035
Community Relations	387,148	416,458	814,921	746,064	749,207	748,392	765,544	715,660	802,542	799,077
Community & Arts	241,795	270,237	290,955	309,276	250,920	274,821	278,508	222,717	212,512	180,085
Capital Outlay	9,906,120	10,583,551	10,416,216	12,121,044	14,641,963	11,462,638	6,561,839	10,169,034	5,647,963	23,657,316
Debt service										
Principal Retirement	550,000	1,030,000	1,000,000	1,065,000	1,210,000	1,590,000	1,655,000	1,365,000	1,420,000	1,485,000
Interest and Fiscal Charges	1,254,360	1,316,924	1,031,173	1,246,483	1,564,307	1,887,574	2,497,833	2,150,748	2,130,515	2,700,280
Other	653,130	44,611	48,634	41,216	42,010	44,863	45,066	208,389	52,017	56,082
Defeasance	—	—	—	—	—	—	—	713,108	—	—
<b>Total expenditures</b>	<b>30,928,654</b>	<b>33,793,435</b>	<b>40,672,355</b>	<b>45,310,148</b>	<b>51,656,148</b>	<b>47,635,056</b>	<b>44,040,610</b>	<b>48,977,661</b>	<b>46,040,604</b>	<b>66,761,970</b>
<b>Excess of revenues over (under) expenditures</b>	<b>214,688</b>	<b>2,656,498</b>	<b>(5,726,962)</b>	<b>(7,137,349)</b>	<b>(11,306,471)</b>	<b>(2,564,506)</b>	<b>(161,525)</b>	<b>(1,431,313)</b>	<b>2,546,341</b>	<b>(11,624,463)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	—	—	—	—	231,544	1,335,000	230,000	340,400	2,467,132	350,000
Transfers out	(553,298)	(913,106)	(578,781)	(457,291)	(721,544)	(1,700,000)	(230,000)	(220,000)	(2,406,132)	(277,500)
Proceeds from Sale of Capital Assets	—	—	—	—	—	—	—	—	—	24,600,000
Issuance of Debt	7,116,798	—	16,485,524	10,000,000	7,470,000	3,709,000	257,000	9,520,000	22,500,000	52,700
Payments to escrow agent	(7,045,040)	—	(16,732,242)	—	—	—	—	(9,363,128)	—	(22,500,000)
<b>Total other financing Sources (Uses)</b>	<b>(481,540)</b>	<b>(913,106)</b>	<b>(825,499)</b>	<b>9,542,709</b>	<b>6,980,000</b>	<b>3,344,000</b>	<b>257,000</b>	<b>277,272</b>	<b>22,561,000</b>	<b>2,225,200</b>
<b>Net change in Fund Balances</b>	<b>(266,852)</b>	<b>1,743,392</b>	<b>(6,552,461)</b>	<b>2,405,360</b>	<b>(4,326,471)</b>	<b>779,494</b>	<b>95,475</b>	<b>(1,154,041)</b>	<b>25,107,341</b>	<b>(9,399,263)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>11.7%</b>	<b>10.3%</b>	<b>6.9%</b>	<b>7.1%</b>	<b>7.6%</b>	<b>9.2%</b>	<b>11.2%</b>	<b>11.4%</b>	<b>8.9%</b>	<b>9.8%</b>

Notes:  
(1) Includes general and special revenue sales tax  
(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  
(3) Includes general and special revenue property tax

Source: Basic financial statements.

**Schedule 5**  
**City of St. Peters**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Agriculture Property</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Direct Tax Rate</b>	<b>Ratio of Total Assessed Value To Total Estimated Actual Value</b>
1997	\$ 250,801,171	\$ 146,280,876	\$ 417,315	\$ 109,322,920	\$ 506,822,282	\$ 2,108,908,583	\$ 0.93	24.03%
1998	290,044,155	170,743,043	372,551	122,032,142	583,191,891	2,429,687,674	0.93	24.00%
1999	296,283,380	171,166,465	371,923	123,053,660	590,875,428	2,466,911,282	0.93	23.95%
2000	332,639,342	184,271,488	491,709	132,109,974	649,512,513	2,727,406,003	0.93	23.81%
2001	340,225,120	189,767,485	452,229	144,782,271	675,227,105	2,822,232,087	0.90	23.93%
2002	376,076,814	207,481,596	940,674	148,459,133	732,958,217	3,080,947,989	0.90	23.79%
2003	381,249,863	212,060,518	912,648	149,798,119	744,021,148	3,126,267,102	0.90	23.80%
2004	461,123,165	235,203,492	1,172,346	148,068,059	845,567,062	3,615,948,666	0.85	23.38%
2005	470,357,496	243,246,009	437,124	144,102,898	858,143,527	3,671,660,941	0.85	23.37%
2006	551,812,707	266,671,065	800,541	150,170,460	969,454,773	4,194,807,038	0.80	23.11%

Notes: Property is reassessed once every two years on average. Property is subclassified for purposes of assessment as follows:

- Residential Real Property - 19% of true value
- Commercial Real Property - 32% of true value
- Agriculture Real Property - 12% of productivity value
- Personal Property - 33 1/3% of book value

Estimated actual taxable value is calculated by dividing taxable assessed value by these percentages. Tax rates are per \$100 of assessed value

Source: Assessed valuations are from the Office of the St. Charles County Clerk



**Schedule 6**  
**City of St. Peters**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Per \$100 of Assessed Valuation)**

Fiscal Year	City of St. Peters Direct Tax Rates			Overlapping Tax Rates						
	Operating	Debt Service	Total	School Districts(1)			St. Charles County (2)	St. Charles Community College	Others(3)	
				Fort Zumwalt	St. Charles	Francis Howell				
1997	\$ 0.6800	\$ 0.2500	\$ 0.9300	\$ 4.1000	\$ 4.0600	\$ 5.1800	\$ 0.3300	\$ 0.2500	\$ 1.2700	
1998	0.6800	0.2500	0.9300	4.4900	4.0100	4.9400	0.3200	0.2500	1.2200	
1999	0.6600	0.2700	0.9300	4.5200	4.2700	4.9400	0.3000	0.2500	1.2700	
2000	0.6600	0.2700	0.9300	4.3700	4.2700	4.8900	0.2800	0.2500	1.2600	
2001	0.6400	0.2700	0.9100	4.3700	4.2700	4.8300	0.2700	0.2500	1.2600	
2002	0.6740	0.2600	0.9340	4.2534	4.2700	4.6931	0.2493	0.2473	1.3251	
2003	0.6400	0.2600	0.9000	4.2538	4.2700	4.6920	0.2475	0.2435	1.3449	
2004	0.5890	0.2610	0.8500	4.2538	4.5700	4.4020	0.2300	0.2318	1.2184	
2005	0.5890	0.2610	0.8500	4.9538	4.5700	5.0420	0.2290	0.2318	1.2097	
2006	0.5500	0.2500	0.8000	4.5521	4.4700	4.7168	0.2178	0.2196	1.1283	

**Notes:**

- (1) The City is served by three school districts. While all three school Districts overlap the City, none of the school districts overlap another school district.
- (2) In addition to the tax rate shown, there is a \$.53 tax rate (surcharge) imposed on all Real Estate Sub-Class 3, Commercial properties located in St. Charles County.
- (3) Includes the tax rate for Central Co. Fire & Rescue #20, the St. Charles County Ambulance District, Handicapped Facilities Board, St. Charles County Dispatch & Alarm Agency, St. Charles County Library District and State of Missouri.

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

**Schedule 7  
City of St. Peters  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	2006			1997		
	Assessed Value	Rank	Percentage of Total Assessed Valuation(1)	Assessed Value	Rank	Percentage of Total Assessed Valuation(2)
May Development Co. of Oregon	\$ 22,631,270	1	2.33%	\$ 13,727,930	1	2.71%
Airwick Industries Inc.	9,140,183	2	0.94%	6,680,390	2	1.32%
Costco Wholesale Corp.	6,805,436	3	0.70%	-	-	-
Turnberry Apartments LLC	5,415,810	4	0.56%	-	-	-
94 Crossing LLC	4,760,885	5	0.49%	-	-	-
79 Crossing LLC	4,463,092	6	0.46%	-	-	-
SSM Properties Inc.	3,712,000	7	0.38%	-	-	-
Mid Rivers Mall LLC	3,231,310	8	0.33%	-	-	-
Westfield America of MO Inc.	3,172,390	9	0.33%	-	-	-
KRCV Corporation	3,133,840	10	0.32%	-	-	-
Continental Sprayers	-	-	-	2,780,420	3	0.55%
Sears Roebuck and Co.	-	-	-	2,443,350	4	0.48%
May Department Store	-	-	-	2,339,620	5	0.46%
Central Area Data Processing	-	-	-	2,319,460	6	0.46%
May Center Inc.	-	-	-	2,256,220	7	0.45%
Woodbridge Corporation	-	-	-	2,229,180	8	0.44%
St. Charles Hotel Co.	-	-	-	2,049,550	9	0.40%
Construction Developers	-	-	-	2,010,180	10	0.40%

Notes:

(1) Based on 2005 assessed valuation equal to \$969,454,773

(2) Based on 1996 assessed valuation equal to \$506,822,282

Source: Office of the St. Charles County Assessor

**Schedule 8**  
**City of St. Peters**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 4,755	\$ 4,696	98.76%	\$ 49	\$ 4,745	99.79%
1998	5,452	5,366	98.42%	76	5,442	99.82%
1999	5,571	5,494	98.62%	64	5,558	99.77%
2000	6,106	6,032	98.79%	68	6,100	99.90%
2001	6,111	6,010	98.35%	93	6,103	99.87%
2002	6,620	6,506	98.28%	105	6,611	99.86%
2003	6,793	6,649	97.88%	130	6,779	99.79%
2004	7,239	7,122	98.38%	106	7,228	99.85%
2005	7,361	7,263	98.67%	83	7,346	99.80%
2006	7,823	7,650	97.79%	—	7,650	97.79%

Note - Per State Statute, Uncollected Personal Property Tax is written-off after five years.

Source: St. Charles County Collector

**Schedule 9  
City of St. Peters  
Sales Tax Collected  
Last Ten Fiscal Years**

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Sales Tax Collected For General Purposes	\$ 8,616,883	\$ 9,120,067	\$ 9,041,394	\$ 9,786,065	\$ 10,187,081	\$ 10,729,420	\$ 10,510,456	\$ 10,957,055	\$ 11,350,867	\$ 11,416,073
Sales Tax Collected For Transportation Purposes	4,308,379	4,560,043	4,522,440	4,898,181	5,098,228	5,364,686	5,255,188	5,478,535	5,675,422	5,706,975
Sales Tax Collected For Park and Storm Water Purposes	—	—	—	—	422,721	1,060,285	1,036,575	1,081,465	1,120,689	1,126,750
<b>Total Direct Sales Tax Collected</b>	<b>12,925,262</b>	<b>13,680,110</b>	<b>13,563,834</b>	<b>14,684,246</b>	<b>15,708,030</b>	<b>17,154,391</b>	<b>16,802,219</b>	<b>17,517,055</b>	<b>18,146,978</b>	<b>18,249,798</b>
<b>City direct sales tax rate</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.60%</b>	<b>1.60%</b>	<b>1.60%</b>	<b>1.60%</b>	<b>1.60%</b>	<b>1.60%</b>
Sales Tax Collected For Tax Increment Financing - City Centre	9,754	109,249	481,592	990,338	706,140	1,398,359	1,734,209	1,931,266	2,007,070	2,234,173
Sales Tax Collected For Tax Increment Financing - Old Town	—	—	—	110,083	156,068	235,209	209,756	244,813	408,710	526,909
Sales Tax Collected For Tax Increment Financing - Lakeside 370	—	—	—	3,251	9,491	11,508	7,123	6,148	6,333	6,511
<b>Total Tax Collected for Tax Increment Financing</b>	<b>\$ 9,754</b>	<b>\$ 109,249</b>	<b>\$ 481,592</b>	<b>\$ 1,103,672</b>	<b>\$ 871,699</b>	<b>\$ 1,645,076</b>	<b>\$ 1,951,088</b>	<b>\$ 2,182,227</b>	<b>\$ 2,422,113</b>	<b>\$ 2,767,593</b>
<b>Total Sales Tax Collected</b>	<b>\$ 12,935,016</b>	<b>\$ 13,789,359</b>	<b>\$ 14,045,426</b>	<b>\$ 15,787,918</b>	<b>\$ 16,579,729</b>	<b>\$ 18,799,467</b>	<b>\$ 18,753,307</b>	<b>\$ 19,699,282</b>	<b>\$ 20,569,091</b>	<b>\$ 21,017,391</b>

Note: As set out in Section 32.057 of the Missouri Revised Statutes it is a violation to make known in any manner the tax returns or departmental records derived from the Missouri Department of Revenue. Due to the confidentiality of earnings information the above alternative information is provided to assist users in understanding this revenue source.

Source: City Finance Department

**Schedule 10**  
**City of St. Peters**  
**Direct and Overlapping Sales Tax Rates**  
**Last Ten Fiscal Years**

Fiscal Year	City Direct Rate	St. Charles County	Metropolitan Park Tax	Children & Family Services	State of Missouri	Total Sales Tax
1997	1.50%	1.50%	-	-	4.225%	7.225%
1998	1.50%	1.50%	-	-	4.225%	7.225%
1999	1.50%	1.50%	-	-	4.225%	7.225%
2000	1.50%	1.50%	-	-	4.225%	7.225%
2001	1.60%	1.50%	0.10%	-	4.225%	7.425%
2002	1.60%	1.50%	0.10%	-	4.225%	7.425%
2003	1.60%	1.50%	0.10%	-	4.225%	7.425%
2004	1.60%	1.50%	0.10%	-	4.225%	7.425%
2005	1.60%	1.50%	0.10%	0.125%	4.225%	7.550%
2006	1.60%	1.50%	0.10%	0.125%	4.225%	7.550%

Note: The city sales tax rate may be changed only with voter approval. State law exempts certain food sales from 3% of state sales tax.

Source: City Finance Department

**Schedule 11**  
**City of St. Peters**  
**Ratios of Outstanding Debt by Type (1)**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-Type Activities		Total	Debt Per Capita(2)
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Bonds	Water/Sewer Revenue Bonds	Leasehold Revenue Bonds		
1997	\$ 24,270,000	\$ —	\$ —	\$ 11,075,000	\$ 410,000	\$ 35,755,000	\$ 722
1998	23,240,000	—	—	10,250,000	5,280,000	38,770,000	771
1999	22,435,000	—	—	19,295,000	4,795,000	46,525,000	915
2000	31,205,000	—	—	18,385,000	4,585,000	54,175,000	1,054
2001	29,995,000	—	7,470,000	17,400,000	4,284,015	59,149,015	1,116
2002	30,905,000	—	8,679,000	16,070,000	7,025,000	62,679,000	1,140
2003	29,250,000	—	8,936,000	27,800,000	6,560,000	72,546,000	1,319
2004	28,080,000	—	8,936,000	26,410,000	13,150,000	76,576,000	1,392
2005	49,160,000	—	8,936,000	24,965,000	12,390,000	95,451,000	1,735
2006	25,175,000	52,700	8,936,000	23,480,000	11,610,000	69,253,700	1,259

Notes:

- (1) Total and per capita personal income are unavailable for the City.
- (2) See schedule 16 for population data.
- (3) Personal income information is currently unavailable.

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

**Schedule 12**  
**City of St. Peters**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds And Special Assessment Bonds	Fund Balance Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property (1)	Debt Per Capita (2)
1997	\$ 24,270,000	\$ 1,138,767	\$ 23,131,233	1.10%	\$ 467.30
1998	23,240,000	1,202,106	22,037,894	0.91%	438.13
1999	22,435,000	970,755	21,464,245	0.87%	422.11
2000	31,205,000	1,381,538	29,823,462	1.09%	580.44
2001	29,995,000	1,719,317	28,275,683	1.00%	533.50
2002	30,905,000	1,865,237	29,039,763	0.94%	528.00
2003	29,250,000	1,860,174	27,389,826	0.88%	498.00
2004	28,080,000	2,034,833	26,045,167	0.72%	473.55
2005	49,160,000	2,847,740	46,312,260	1.26%	842.04
2006	25,227,700	1,307,849	23,919,851	0.57%	434.91

Notes:

- (1) See schedule 5 for property value data.
- (2) See schedule 16 for population data.

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

**Schedule 13**  
**City of St. Peters**  
**Direct and Overlapping Governmental Activities Debt**  
**September 30, 2006**

Jurisdiction	Debt Outstanding	Percentage Applicable to St. Peters	Share of Debt Applicable to St. Peters
<b>Debt repaid with property taxes:</b>			
St. Charles County	\$ 4,660,000	15.86%	\$ 7,391
St. Charles County Ambulance District	11,215,000	15.86	1,778,699
Central County Fire and Rescue	8,250,000	67.80	5,593,500
St. Charles County Community College	46,580,000	15.94	7,424,852
St. Charles School District R-VI	64,617,929	6.38	4,122,624
Fort Zumwalt School District R-II	139,585,000	24.83	34,658,956
Francis Howell School District	174,563,987	18.02	31,456,430
<b>Other Debt:</b>			
St. Charles County Capital Leases			37,050,000
Fort Zumwalt Capital Leases			28,405,000
			<u>150,497,452</u>
City's direct debt			<u>25,227,700</u>
Total direct and overlapping debt			<u><u>\$ 175,725,152</u></u>

**Sources:** Assessed value data used to estimate applicable percentages was provided by the St. Charles County Assessor. Debt outstanding data provided by each governmental unit.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of St. Peters. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident—and therefore responsible for repaying the debt—of each overlapping government.



**Schedule 14  
City of St. Peters  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	City Purposes Basic Limit	Streets And Sewer Additional Limit
Assessed valuation	\$ 969,454,773	\$ 969,454,773
Debt limit - 10% of assessed valuation	96,945,477	96,945,477
Amount of debt applicable to debt limit		
Total general obligation debt	25,227,700	-
Less: Amount available in debt service fund	(1,307,849)	-
Net bond indebtedness applicable to debt limit	23,919,851	-
Legal debt margin	\$ 73,025,626	\$ 96,945,477

<b>City Purposes Basic Limit</b>										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt Limit	\$ 50,682,228	\$ 58,319,189	\$ 59,087,543	\$ 64,951,251	\$ 67,522,711	\$ 73,295,822	\$ 74,402,115	\$ 84,556,706	\$ 85,814,353	\$ 96,945,477
Total net debt applicable to limit:	23,020,000	22,365,000	21,985,000	29,823,462	28,275,683	29,039,763	27,389,826	26,045,167	46,312,260	23,919,851
Legal Debt Margin	27,662,228	35,954,189	37,102,543	35,127,789	39,247,028	44,256,059	47,012,289	58,511,539	39,502,093	73,025,626
Total net debt applicable to the limit as a % of debt limit	45.42%	38.35%	37.21%	45.92%	41.88%	39.62%	36.81%	30.80%	53.97%	24.67%

<b>Street and Sewer Additional Limit</b>										
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt Limit	\$ 50,682,228	\$ 58,319,189	\$ 59,087,543	\$ 64,951,251	\$ 67,522,711	\$ 73,295,822	\$ 74,402,115	\$ 84,556,706	\$ 85,814,353	\$ 96,945,477
Total net debt applicable to limit:	1,250,000	875,000	450,000	-	-	-	-	-	-	-
Legal Debt Margin	49,432,228	57,444,189	58,637,543	64,951,251	67,522,711	73,295,822	74,402,115	84,556,706	85,814,353	96,945,477
Total net debt applicable to the limit as a % of debt limit	2.47%	1.50%	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: The Missouri Constitution provides that in addition to the basic 10% debt limitation, the City may become indebted for an additional 10% of the assessed valuation for the purpose of acquiring rights-of-way, constructing, extending, and improving streets and avenues, and constructing, extending and improving a sanitary or storm sewer systems.

Source: Notes to the Financial Statements

Schedule 15  
City of St. Peters  
Pledged-Revenue Coverage  
Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds						Special Assessment Bonds			
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
1997	\$ 5,853,153	\$ (3,582,129)	\$ 2,271,024	\$ 790,000	\$ 740,193	1.48	\$ —	\$ —	\$ —	\$ —
1998	5,958,697	(3,988,100)	1,970,597	825,000	723,534	1.27	—	—	—	—
1999	5,943,723	(4,124,324)	1,819,399	865,000	645,678	1.20	—	—	—	—
2000	6,191,556	(4,446,667)	1,744,889	910,000	591,635	1.16	—	—	—	—
2001	6,815,772	(5,007,716)	1,808,056	985,000	532,160	1.19	—	—	—	—
2002	6,999,333	(5,040,065)	1,959,268	1,045,000	446,993	1.31	—	—	—	—
2003	7,227,302	(4,771,125)	2,456,177	1,240,000	352,449	1.54	—	—	—	—
2004	7,495,672	(5,165,769)	2,329,903	1,390,000	182,735	1.48	—	—	—	—
2005	8,384,200	(5,329,670)	3,054,530	1,445,000	121,171	1.95	—	—	—	—
2006	8,580,469	(5,731,539)	2,848,930	1,485,000	59,596	1.84	215,839	—	—	—

Notes: Operating expenses do not include interest, depreciation, or amortization expenses. Debt service is presented on a cash flow basis. The coverage calculations presented in this schedule differ from those required by specific bond indentures.

The decline in the interest portion of debt service relates to the maturity of revenue bonds and the issuance of Capital Appreciation Bonds.

Source: Basic financial statements and notes to the financial statements.

Schedule 16  
 City of St. Peters  
 Demographic and Economic Statistics  
 Last Ten Calendar Years

Year	Population	School Enrollment	Unemployment Rate
1997	49,500	38,547	2.40%
1998	50,300	38,934	2.40%
1999	50,850	41,036	1.70%
2000	51,381	41,010	2.10%
2001	53,000	41,547	2.60%
2002	55,000	42,020	3.00%
2003	55,000	42,519	3.20%
2004	55,000	42,392	3.00%
2005	55,000	42,713	3.10%
2006	55,000	42,639	n/a

Note: Total and per capita personal income are unavailable for the City of St. Peters.

Personal income information was not available.

Sources: Population for 2000 is an official count of the United States Bureau of Census. For other years the figures are an estimate made by the City. School enrollment was provided by the respective school districts prior to the year 2000 and thereafter from the MO Department of Elementary and Secondary Education website. The unemployment rate for 2000 is an official count of the United States Bureau of Census. For other years, the figure is an unofficial estimate of the Missouri Economic Research and Information Center.

**Schedule 17**  
**City of St. Peters**  
**Largest Employers**  
**(Based on Full-time Employment)**  
**Current and Nine Years Ago**  
**September 30, 2006**

	2006			1997		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Barnes St. Peters Hospital	612	1	1.8%	299	5	0.9%
Fort Zumwalt School District R-II	506	2	1.5%	623	1	2.0%
City of St. Peters	495	3	1.5%	460	2	1.5%
Reckett & Benckiser	400	4	1.2%	250	7	0.8%
Francis Howell School District R-III	279	5	0.8%	320	4	1.0%
Continental AFA	247	6	0.7%	364	3	1.1%
Schnucks	201	7	0.6%	—	—	—
Boon Center Inc.	189	8	0.6%	—	—	—
United Services Inc.	150	9	0.4%	—	—	—
Woodbridge Foam Manufacturing	134	10	0.4%	—	—	—
Waignwright Industries	—	—	—	251	6	0.8%
Central Area Data Processing	—	—	—	215	8	0.7%
Dierbergs	—	—	—	165	9	0.5%
Didion & sons Foundry Company	—	—	—	160	10	0.5%
	3,213		9.5%	3,107		9.8%

Note: Figures based on full-time or full-time equivalents. Percentage of Total City Employment was based on the employed labor force of 33,813 for September 2006 and 31,698 for September 1997. Labor force statistics are unofficial estimates from the Missouri Economic Research and Information Center.

Source: Survey of Employers

**Schedule 18**  
**City of St. Peters**  
**Full-Time-Equivalent City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Governmental activities:</b>										
General government	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90
Administration	44.00	44.00	48.20	48.80	50.40	51.70	49.70	47.70	48.70	47.40
Police	101.30	101.30	108.60	111.90	111.90	111.90	108.70	108.70	108.70	109.00
Municipal Court	4.20	4.20	4.40	5.10	5.10	5.40	5.40	5.40	5.40	5.40
Public Works	45.50	45.50	49.00	48.00	48.00	48.40	45.90	45.90	46.20	36.95
Engineering	28.70	28.70	30.70	30.70	30.70	31.80	28.80	29.00	29.00	32.00
Maintenance	12.20	12.20	11.60	10.60	10.60	10.60	9.90	9.90	9.70	8.60
Health	10.70	10.70	7.60	7.90	8.50	9.40	8.70	8.70	8.60	7.80
Parks and Recreation	111.30	111.30	123.00	129.10	130.20	125.80	135.90	137.10	137.10	136.40
Community Relations	6.40	6.40	7.30	7.30	7.30	9.70	9.00	9.00	9.00	9.00
Community & Arts	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	4.80	3.80
<b>Business-type activities:</b>										
Waterworks/Sanitary Sewer	39.00	39.00	38.00	38.30	38.00	39.70	39.40	41.90	42.40	42.40
Solid Waste	21.10	21.10	21.30	24.00	22.40	23.10	23.80	23.80	24.10	24.60
Central Materials Processing Facility	31.00	31.00	30.00	31.00	31.30	32.60	24.60	24.60	27.50	27.30
<b>Total</b>	<b>468.10</b>	<b>468.10</b>	<b>492.40</b>	<b>505.40</b>	<b>507.10</b>	<b>512.80</b>	<b>502.50</b>	<b>504.40</b>	<b>509.10</b>	<b>498.55</b>

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

Source: City budget office

**Schedule 19**  
**City of St. Peters**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Governmental activities:</b>										
Administration										
Citizen Concerns Received	.	.	.	.	982	923	942	1129	988	964
No. of Concerns Responses within 72 hours	.	.	.	.	100%	97%	99%	99%	98%	99%
Police										
Average number of physical arrests per month	219	144	270	200	186	214	293	336	223	228
Average number of calls for service per month	2,625	2,850	3,145	3,000	3,000	3,900	3,598	3,465	2,342	2407
Citizen Concerns Received	.	.	.	.	399	456	325	265	363	326
No. of Concerns Responses within 72 hours	.	.	.	.	99%	100%	98%	96%	99%	96%
Municipal Court										
Average Number of Court Sessions per year	.	.	.	.	.	32	32	32	32	32
No. of tickets processed	.	.	.	.	.	19,445	20,419	17,229	17,727	19,019
Public Works										
Slab Replacement (Square Yards)	.	15,377	16,150	19,555	27,573	20,262	17,417	22,667	16,123	19,230
Asphalt Overlay (Miles)	.	4.7	1	0.5	4.6	4.1	4.6	4.3	6.3	7.8
Curb Replacement (Lineal Feet)	.	.	3,220	4,000	5,250	9,300	10,816	12,251	8,917	13,145
Crackseal (Lineal Feet)	.	27,459	.	.	41,360	72,516	50,325	69,807	43,402	56,684
Sidewalk (Square Feet)	.	.	.	.	.	985	5,319	4,720	7,735	10,335
Citizen Concerns Received	.	.	.	.	1,215	545	744	945	651	648
No. of Concerns Responses within 72 hours	.	.	.	.	98%	100%	99%	98%	94%	96%
Engineering										
New Commercial Construction Unit Permits Issued	50	45	58	58	40	37	79	65	13	24
Value of New Commercial Construction Units	\$25,961,590	\$23,366,288	\$47,951,903	\$38,154,195	\$24,923,011	\$47,701,387	\$61,680,082	\$39,599,803	\$15,856,038	\$62,397,912
New Residential Construction Unit Permits Issued	327	365	264	150	823	218	431	289	302	271
Value of New Residential Construction Units	\$32,986,885	\$36,492,082	\$26,328,171	\$12,095,946	\$49,161,645	\$24,285,105	\$55,996,636	\$38,197,045	\$29,516,271	\$33,189,993
Citizen Concerns Received	.	.	.	.	1,341	1,383	1,245	1,191	1,004	973
No. of Concerns Responses within 72 hours	.	.	.	.	97%	97%	95%	96%	96%	95%
Health										
Citizen Concerns Received	.	.	.	.	192	256	176	133	168	168
No. of Concerns Responses within 72 hours	.	.	.	.	97%	100%	94%	98%	99%	99%
Animal Control										
Citizen Concerns Received	.	.	.	.	.	81	73	75	62	36
No. of Concerns Responses within 72 hours	.	.	.	.	.	98%	99%	97%	100%	97%
Parks and Recreation										
REC-PLEX Annual Passes	1,452	1,676	1,660	1,643	1,511	1,779	1,867	2,017	2,070	2,191
Citizen Concerns Received	.	.	.	.	219	202	183	162	166	159
No. of Concerns Responses within 72 hours	.	.	.	.	100%	100%	100%	100%	100%	100%
<b>Business-type activities:</b>										
Waterworks/Sanitary Sewer										
Number of water service connections	14,277	14,513	14,944	15,632	15,632	15,319	15,762	15,955	16,430	17,718
Daily average water consumption in gallons	4,500,000	4,690,000	4,720,000	4,920,000	4,920,000	5,200,000	5,200,000	5,010,000	5,200,000	5,998,000
Number of sanitary sewer service connections	16,045	16,193	16,519	16,368	16,368	16,823	17,207	17,294	17,563	17,718
Daily average sanitary sewer treatment in gallons	5,092,000	5,092,000	5,180,000	4,980,000	4,980,000	5,170,000	5,700,000	5,930,000	5,930,000	6,239,000
Citizen Concerns Received	.	.	.	.	894	1,347	1,232	1,084	1,239	909
No. of Concerns Responses within 72 hours	.	.	.	.	96%	99%	100%	100%	100%	100%
Solid Waste										
Citizen Concerns Received	.	.	.	.	159	147	145	115	118	101
No. of Concerns Responses within 72 hours	.	.	.	.	99%	99%	97%	99%	98%	100%

\* Information is not available for this time period.

Sources: Various city departments.

Schedule 20  
City of St. Peters  
Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Governmental activities:										
General government										
City Hall	1	1	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	215	217	218	218	222	223	225	225	225	225
Streetlights	1,956	1,995	2,008	2,027	2,032	2,370	2,396	2,398	2,483	2,483
Parks and Recreation										
Sports Center(gymnasium)	1	1	1	1	1	1	1	1	1	1
Senior Citizen Center(includes a fitness trailer)	1	1	1	1	1	1	1	1	1	1
REC-PLEX(2 pools; 2 ice rink(one seasonal); gymnasium; fitness facilities)	1	1	1	1	1	1	1	1	1	1
Parks	18	19	19	19	19	19	19	19	19	20
Park acreage	580	580	580	580	580	590	590	686	686	986
Golf Courses	1	1	1	1	1	1	1	1	1	1
Outdoor swimming pools	3	3	3	3	3	3	3	3	3	3
Tennis Courts	7	7	7	7	7	7	7	7	7	7
Miles of hiking/biking trails	8	8	8	8	9	9	10	10	10	10
Community & Arts										
Community and Arts Center	1	1	1	1	1	1	1	1	1	1
Business-type activities:										
Waterworks/Sanitary Sewer										
Water										
Maximum daily capacity in gallons:										
Water treatment plant	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
City of St. Louis system(per contract)	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000
Water mains (miles)	206	216	229	229	229	229	241	242	251	261
Fire hydrants	1,900	1,900	1,198	1,198	1,198	1,198	1,475	1,959	1,970	1,981
Wastewater										
Sanitary sewers (miles)	192	208	210	210	210	210	210	215	227	239
Storm sewers (miles)	132	136	122	122	122	122	122	134	147	161
Treatment capacity (thousands of gallons)	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000
Solid Waste										
Customers - Residential						15,092	15,229	15,494	15,666	15,801
Central Materials Processing Facility										
Facilities	1	1	1	1	1	1	1	1	1	1

\* Information is not available for this time period

Sources: Various city departments.

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