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1-1-2006

## Comprehensive Annual Financial Report, 2005

City of Kirkwood

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STATE AUDITOR'S OFFICE  
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# Comprehensive Annual Financial Report

For Fiscal Year Ended  
March 31, 2005



*Photo courtesy of Claire Budd*

## City of Kirkwood, Missouri

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***CITY OF KIRKWOOD, MISSOURI***  
***COMPREHENSIVE ANNUAL FINANCIAL REPORT***  
***FOR THE FISCAL YEAR ENDED MARCH 31, 2005***

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Report issued by the Finance Department

John R. Adams  
Director of Finance

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**City of**

**Introductory Section**

**Kirkwood**

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WHERE COMMUNITY AND SPIRIT MEET

July 1, 2005

To the Honorable Mayor and  
Members of the City Council  
Citizens of Kirkwood, Missouri:

The Comprehensive Annual Financial Report (CAFR) of the City of Kirkwood (City), Missouri, for the fiscal year ended March 31, 2005, is hereby submitted. The City of Kirkwood's Finance Department prepared this report. The management of the City is responsible for the accuracy of the data and the completeness and fairness of the presentation of the financial statements and other information presented herein. We believe the presentation is accurate in all material respects and includes all disclosures necessary to enable the reader to gain a reasonable understanding of the City's financial activities.

This report has been prepared following the guidelines recommended by the Government Finance Officer's Association of the United States and Canada (GFOA). This association awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose annual financial reports are judged to conform substantially with the high standards of public financial reporting including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. It is our belief that the accompanying Fiscal Year 2005 Financial Report meets these program standards, and it will be submitted to the Government Finance Officer's Association for review.

This year's CAFR is the second year that the City is presenting its financial statements under the new reporting model required by the Governmental Accounting Standards Board Statement No. 34 (GASB 34), *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The format and purpose of these changes are addressed in the Management's Discussion and Analysis (MD&A), which can be found immediately following the independent auditor's report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

The City's CAFR includes an introductory section, a financial section, and a statistical section. The introductory section includes this transmittal letter, the Certificate of Achievement in Financial Reporting, the City's organizational chart, and a list of City Officials. The financial section includes the independent auditor's opinion, Management's Discussion and Analysis, basic financial statements, required supplementary information, as well as additional supplementary information. The statistical section includes selected financial, economic, and demographic information, generally presented on a multi-year basis.



## **PROFILE OF THE GOVERNMENT**

Kirkwood is located in St. Louis County, approximately 14 miles west of the City of St. Louis. The City covers approximately 9.1 square miles and is bounded by Interstate 44 on its southern boundary and traversed by Interstate 270 near its western boundary. Together, the interstate highways provide excellent access to all parts of the St. Louis metropolitan area.

Kirkwood was the first planned suburban residential area west of the Mississippi River. The City was established in 1853, incorporated in 1865, re-incorporated as a fourth class city in 1899, and as a third class city in 1930. In 1984, the City became a home rule city as permitted under a 1971 amendment to the Missouri Constitution.

Known as "The Green Tree City," the City is an attractive suburban residential community with tree-lined streets, a vibrant downtown shopping district, and a highly rated public school system. The City has a diverse economic base, which includes several large retailers, limited industries, and many small specialty shops. Kirkwood also is a scheduled daily stop on Amtrak's St. Louis to Kansas City route.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The City of Kirkwood has been very fortunate to have negotiated a very favorable wholesale electric contract with AmerenUE in 1999. This contract has provided the City's Electric Fund with the opportunity to build fund equity. The Public Service Commission reduced retail rates for AmerenUE in the summer of 2002. The City Council matched this reduction, which was phased-in with the first reduction effective October 2002 and the second in October 2003. The City reduced retail rates again in October 2004. These reductions equated to approximately \$1,000,000 in lost electric revenues. In addition to keeping the Electric Fund healthy, the Electric Fund profits have been used to fund general government operations. Approximately 8% of the General Fund's financing is from the Electric Fund. The rate reduction and weather volatility of the Electric revenues and the dependence on these transfers poses a significant challenge for department managers, City Council, and the community.

While the General Fund depends on the Electric Fund transfers to provide basic municipal services, the number one source of revenue in the General Fund is sales taxes. Approximately 32% of the General Fund's financing is from some type of sales tax. Retail sales taxes have finally climbed back to the level they were at in 2000. This key revenue source is used for providing general government services including police and fire. As with electric revenues, we believe sales taxes are and will continue to be a volatile source of funding.

## **MAJOR GOALS AND PROJECTS**

As an organization, the City's number one goal is service to our citizens. This becomes more difficult and complex as we strive to offer the same level of services with erratic and volatile revenue sources. Over the past two years, we have reduced our workforce by 23 full-time positions realizing an overall savings of more than \$900k. In addition, we have implemented a number of process reviews and performance measures to prioritize the delivery of services to our citizens; however, numerous citizen committees have concluded that without additional revenues Kirkwood will not be able to sustain service levels. Kirkwood has been authorized in the past to levy a ½-cent sales tax for capital needs, including roads and sidewalks and operating vehicles needed for daily City operations such as dump trucks, police cars, and fire fighting apparatus. This tax, by way of a sunset provision would have expired in March 2005; however, Kirkwood citizens voted to extend this tax for an additional 15 years. In 2004 our citizens also authorized an increase in sanitation fees, allowing this service to cover its operating costs while remaining competitively priced for this region. In addition, a public-private venture in a sanitation transfer station will keep our disposal costs constant and predictable.

In November 2000, voters overwhelmingly approved a bond issue to rebuild all three fire stations, renovate the historic station on Big Bend Boulevard, and acquire several pieces of critical fire fighting apparatus. Three stations are complete, including the renovation of House 2 on Big Bend Boulevard.

## **BUDGETARY CONTROLS**

Missouri State Law and City ordinances require annual budgets to be prepared for the General and Special Revenue Funds on a basis that approximates generally accepted accounting principles. For the period covered by this annual financial report, budgetary control over expenditures was exercised by the City Council throughout the entire fiscal year. The City Council could amend the budget throughout the year provided total expenditures appropriations did not exceed projected revenues plus unencumbered reserves at the beginning of the fiscal year.

Appropriation transfers were made within or between departments with the approval of the Chief Administrative Officer. All budget amendments in excess of the original budget were approved by City ordinances or by transfer from an amount appropriated for contingencies. A City policy, which is not required by state statute, requires all budget amendments or transfers of \$10,000 or more be approved by ordinance. Therefore, the legal level of budgetary control is established by law at the sub object or account level.

The City's accounting system provides for internal controls to ensure that assets of the City are protected from loss, theft or misuse, and are properly accounted for. The City has designed a comprehensive set of internal controls to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the valuation of costs and benefits requires estimates and judgments by management.



## **BUDGETARY CONTROLS (continued)**

It is the opinion of management that the internal controls utilized are adequate and provide for the safeguarding of assets and assure proper recording of financial transactions.

## **PENSION BENEFITS**

The City maintains two defined contributions pension trust funds, the Civilian Employees Pension Fund and the Police Officer's and Firefighter's Retirement Fund, which covers all regular full-time employees of the City of Kirkwood, the Kirkwood Park Board, the Kirkwood Public Library District, and Kirkwood Housing Authority.

The Civilian Employees Pension Fund receives contributions from the City, Park, Library District, and Housing Authority equal to 5% of the participant employee's gross wages.

The Police and Fire Pension Fund is funded from property taxes levied for such purposes, and provides 5% to each commissioned police and fire employee's retirement account annually. Additionally commissioned police and fire employees contribute up to 7.65% of their wages. This rate fluctuates with the Social Security and Medicare rates. The fund contributes an amount equal to the employee contribution, which is termed a "supplemental account in lieu of Social Security." The intent is to provide overall pension contributions for commissioned police officers and firefighters equivalent to the Social Security and pension contributions for those employees under the Social Security system.

## **CASH MANAGEMENT**

The Finance Department works with a certified investment advisor for the investment of the City's idle funds. All funds except the pension funds and the TIF proceeds for Kirkwood Commons/Meacham Park Tax Increment Financing District are pooled for investment purposes. Certificates of Deposit and repurchase agreements are two types of investments the City recently has used.

## **INDEPENDENT AUDIT**

State statutes and the City Charter require an annual audit by independent certified public accountants. The accounting firm of Schowalter & Jabouri, P.C. was selected by the City Council for this year's audit. The auditor's report on the basic financial statements is included in the financial section of this report.



## **RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, and natural disasters. The City is essentially self-insured for \$350,000 and maintains commercial coverage for \$12,000,000. A listing of the City's commercial coverage can be found in the statistical section of this report.

## **AWARDS AND ACKNOWLEDGEMENTS**

The (GFOA) awarded a Certificate of Achievement for Excellence in Financial reporting to the City of Kirkwood, Missouri, for its CAFR for the fiscal year ended March 31, 2004. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the CAFR 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 our sincere appreciation for the contributions made in preparation of this report.

In closing, without the leadership, interest and support of the Mayor, City Council and Chief Administrative Officer, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink that reads "John Adams". The signature is written in a cursive style with a large, looping initial "J".

John Adams  
Director of Finance

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## CITY OF KIRKWOOD, MISSOURI

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### CITY OFFICIALS

#### MAYOR

Michael E. Swoboda

### COUNCIL MEMBERS

Joseph Godi

Michael H. Lynch

Timothy E. Griffin

Arthur J. McDonnell

Constance C. Karr

Thomas J. Noonan

### COUNCIL STAFF

Elizabeth K. Montano

City Clerk

### ADMINISTRATION

Michael G. Brown

Chief Administrative Officer

Georgia L. Ragland

Asst. Chief Administrative Officer

Claire Budd

Public Information Officer

### DEPARTMENT HEADS

John R. Adams

Director of Finance

Kimberly R. Butts

Director of Purchasing

Kevin R. Campe

Director of Information Systems

Jack R. Plummer

Chief of Police

Thomas V. Openlander

Fire Chief

Kenneth D. Yost

Director of Public Works

Paul E. Hauser

Electric Director

Timothy D. Rajchart

Water Director

Murray W. Pounds

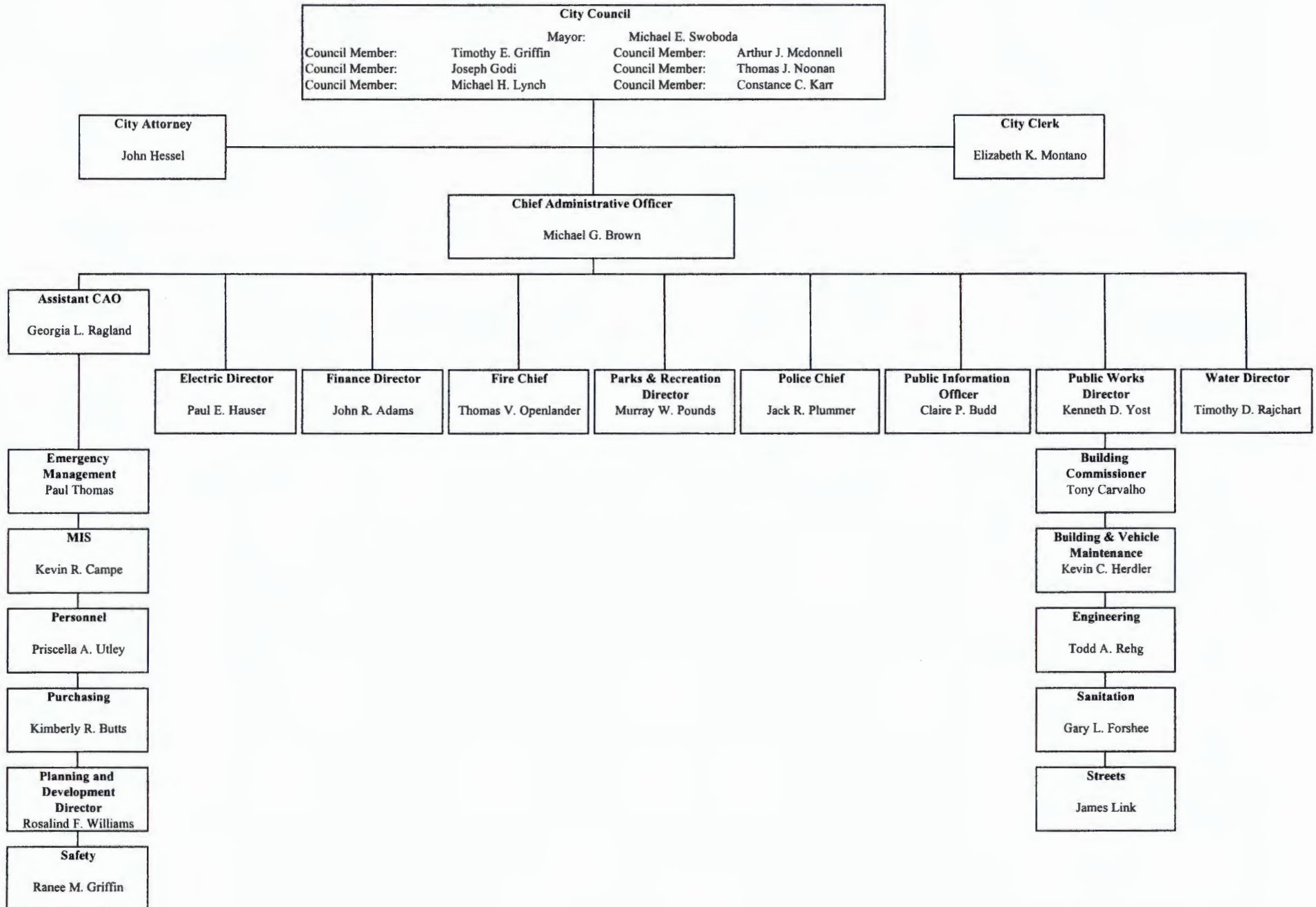
Parks and Recreation Director

Rosalind Williams

Community Development

# CITY OF KIRKWOOD, MISSOURI

## ORGANIZATIONAL CHART





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kirkwood,  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
March 31, 2004

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



*Nancy L. Ziehl*

President

*Jeffrey R. Enos*

Executive Director

**City of  
Kirkwood**

**Financial Section**

# **SCHOWALTER & JABOURI, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
11878 GRAVOIS ROAD  
ST. LOUIS, MISSOURI 63127  
(314) 849-4999  
FAX (314) 849-3486

FINANCIAL SERVICES  
COMPUTER SOLUTIONS  
ADMINISTRATIVE OFFICES

11777 GRAVOIS ROAD  
ST. LOUIS, MISSOURI 63127  
(314) 842-2929  
FAX (314) 842-3483

## **INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Kirkwood, 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 the City of Kirkwood, Missouri, as of and for the year ended March 31, 2005, which collectively comprise the City of Kirkwood, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Kirkwood, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

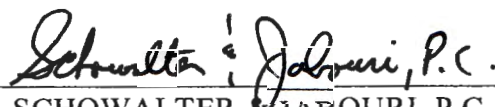
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining,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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Kirkwood, Missouri, as of March 31, 2005 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The management's discussion and analysis on pages 3 through 16 and the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual and related notes on pages 64 through 70 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Kirkwood, Missouri's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements (other 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 other 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.

  
SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri  
July 1, 2005

## CITY OF KIRKWOOD, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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As management of the CITY OF KIRKWOOD, we offer readers of the CITY OF KIRKWOOD'S financial statements this narrative overview and analysis of the financial activities of the CITY OF KIRKWOOD for the fiscal year ended March 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### **Financial Highlights**

- The assets of the CITY OF KIRKWOOD exceeded its liabilities at the close of the most recent fiscal year by \$61,107 (*net assets*). Of this amount, \$11,371 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the CITY OF KIRKWOOD'S governmental funds reported combined ending fund balances of \$15,848, a decrease of \$161 in comparison with the prior year. Approximately one-half of this total amount, \$8,255, is *available for spending* at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2,685, or 17 percent of total general fund expenditures.
- The CITY OF KIRKWOOD'S total debt decreased by \$3,544 during the current fiscal year.

#### **Overview of Financial Statements**

This discussion and analysis are intended to serve as an introduction to the CITY OF KIRKWOOD'S basic financial statements. The CITY OF KIRKWOOD'S basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the CITY OF KIRKWOOD'S finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the CITY OF KIRKWOOD'S assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the CITY OF KIRKWOOD is improving or deteriorating.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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**Overview of Financial Statements (continued)**

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the CITY OF KIRKWOOD that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the CITY OF KIRKWOOD include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activities of the CITY OF KIRKWOOD include Water, Sanitation and an Electric Distribution operation.

The government-wide financial statements include not only the CITY OF KIRKWOOD itself (known as the *primary government*), but also a legally separate Industrial Development Authority for which the CITY OF KIRKWOOD is financially accountable. Financial information for this *component unit* is reported by the City.

The government-wide financial statements can be found on pages 17 and 18 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The CITY OF KIRKWOOD, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the CITY OF KIRKWOOD can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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



## CITY OF KIRKWOOD, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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#### **Overview of Financial Statements (continued)**

#### **Governmental Funds (continued)**

The CITY OF KIRKWOOD maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, public park board, Kirkwood Commons TIF, and our two voter approved capital improvement funds which are considered major funds. Data from the other 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* elsewhere in this report.

The CITY OF KIRKWOOD adopts an annual appropriated budget for its general and public parks fund. A budgetary comparison statement has been provided for the general and public parks fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

**Proprietary Funds.** The CITY OF KIRKWOOD maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The CITY OF KIRKWOOD uses enterprise funds to account for its Water, Sanitation and for its Electric Distribution operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the CITY OF KIRKWOOD'S various functions. The CITY OF KIRKWOOD uses internal service funds to account for its fleet of vehicles, for its health insurance and for its worker's compensation program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sanitation and for the Electric Distribution operation, the three of which are considered to be major funds of the CITY OF KIRKWOOD. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

## CITY OF KIRKWOOD, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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#### **Overview of Financial Statements (continued)**

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the CITY OF KIRKWOOD'S own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29 through 63 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the CITY OF KIRKWOOD'S budgetary comparisons. Required supplementary information can be found on pages 64 through 70 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented in other supplementary information. Combining and individual fund statements and schedules can be found on pages 71 through 83 of this report.

#### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the CITY OF KIRKWOOD, assets exceeded liabilities by \$61,107 at the close of the most recent fiscal year.

By far the largest portion of the CITY OF KIRKWOOD'S net assets (62 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The CITY OF KIRKWOOD uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. The second largest portion of the CITY OF KIRKWOOD'S net assets is the cash balance. The cash balance is a portion of the cash needed to operate the various funds and utilized to ensure positive cash flow.



# CITY OF KIRKWOOD, MISSOURI

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

### City of Kirkwood's Net Assets

	Governmental Activities		Business-type Activities		Total	
	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>
Current and other assets	\$21,446	\$ 20,404	\$25,143	\$25,745	\$ 46,589	\$ 46,149
Capital assets	<u>44,766</u>	<u>46,401</u>	<u>9,434</u>	<u>9,623</u>	<u>54,200</u>	<u>56,024</u>
Total Assets	<u>66,212</u>	<u>66,805</u>	<u>34,577</u>	<u>35,368</u>	<u>100,789</u>	<u>102,173</u>
Long-term liabilities outstanding	40,132	36,683	75	--	40,207	36,683
Other liabilities	<u>3,350</u>	<u>3,252</u>	<u>1,332</u>	<u>1,131</u>	<u>4,682</u>	<u>4,383</u>
Total Liabilities	<u>43,482</u>	<u>39,935</u>	<u>1,407</u>	<u>1,131</u>	<u>44,889</u>	<u>41,066</u>
Net Assets:						
Invested in capital assets, net of related debt	23,776	28,480	9,359	9,599	33,135	38,079
Restricted	1,536	11,658	--	--	1,536	11,658
Unrestricted	<u>(2,582)</u>	<u>(13,268)</u>	<u>23,811</u>	<u>24,638</u>	<u>21,229</u>	<u>11,370</u>
Total Net Assets	<u>\$22,730</u>	<u>\$ 26,870</u>	<u>\$33,170</u>	<u>\$34,237</u>	<u>\$ 55,900</u>	<u>\$ 61,107</u>

An additional portion of the CITY OF KIRKWOOD'S net assets (19 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$11,370 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the CITY OF KIRKWOOD is able to report positive balances in all three categories of net assets, for the government as a whole, as well as for its separate business-type activities. At the governmental activities level each category is positive except for the unrestricted category.

The CITY OF KIRKWOOD'S net assets increased by \$5,207 during the current fiscal year. Just over 84 percent of the increase in net assets comes from revenues exceeding expenditures in business-type-activities.



CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

**Governmental Activities.** Governmental activities total growth in the net assets of the CITY OF KIRKWOOD.

**City of Kirkwood's Changes in Net Assets**

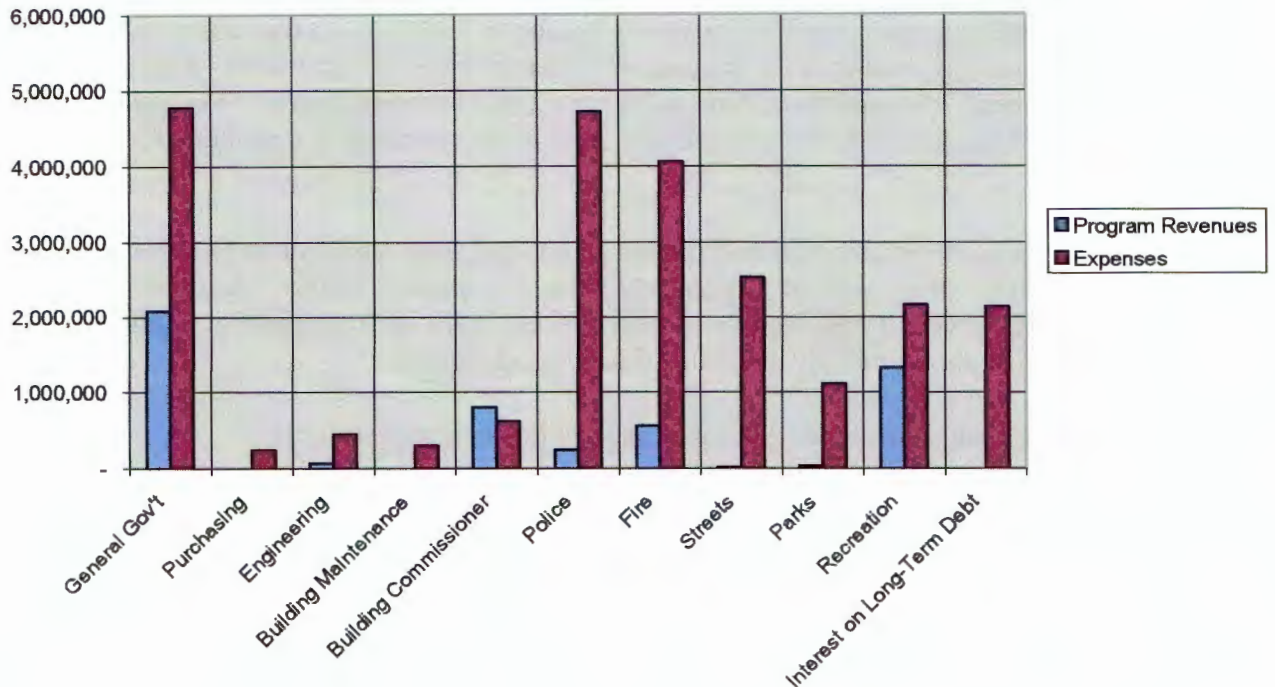
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>
Revenues:						
Program Revenues:						
Charles for services	\$ 4,123	\$ 5,014	\$ 18,488	\$ 19,133	\$ 22,611	\$ 24,147
Operating grants and contributions	90	97	75	60	165	157
Capital grants and contributions	391	60	--	--	391	60
General Revenues:						
Property taxes	3,627	3,623	--	--	3,627	3,623
Other taxes	15,356	15,921	--	--	15,356	15,921
Other revenues	1,624	426	791	12	2,415	438
Transfers	2,524	2,108	(2,524)	(2,108)	--	--
Total Revenues	<u>27,735</u>	<u>27,249</u>	<u>16,830</u>	<u>17,097</u>	<u>44,565</u>	<u>44,346</u>
Expenses:						
General Government	4,688	4,769	--	--	4,688	4,769
Purchasing	227	239	--	--	227	239
Engineering	425	451	--	--	425	451
Building maintenance	285	297	--	--	285	297
Building Commissioner	551	619	--	--	551	619
Police	4,652	4,716	--	--	4,652	4,716
Fire	3,963	4,057	--	--	3,963	4,057
Streets	2,460	2,536	--	--	2,460	2,536
Parks	978	1,076	--	--	978	1,076
Recreation	2,123	2,204	--	--	2,123	2,204
Interest on long-term debt	3,717	2,143	--	--	3,717	2,143
Electric	--	--	11,109	11,246	11,109	11,246
Water	--	--	2,601	2,748	2,601	2,748
Sanitation	--	--	2,074	2,038	2,074	2,038
Total Expenses	<u>24,069</u>	<u>23,107</u>	<u>15,784</u>	<u>16,032</u>	<u>39,853</u>	<u>39,139</u>
Increase in net assets	<u>3,666</u>	<u>4,142</u>	<u>1,046</u>	<u>1,065</u>	<u>4,712</u>	<u>5,207</u>
Net assets -						
April 1, 2004	<u>\$ 22,728</u>		<u>\$ 33,171</u>		<u>\$55,900</u>	
Net assets -						
March 31, 2005		<u>\$ 26,870</u>		<u>\$34,236</u>		<u>\$61,107</u>

## CITY OF KIRKWOOD, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

#### Government-wide Financial Analysis (continued)

Expenses and Program Revenues - Governmental Activities



- Property taxes levied for:

Park	\$ 707,453
Special Business District	\$ 97,797
Pioneer TIF	\$ 285,800
Kirkwood Commons TIF	\$1,074,970
Debt Service	\$1,456,517
- Transfers from the electric, water and parks/recreation sales tax fund continue to fund a portion of governmental activities.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

**Business-type Activities.** Business-type activities increased the CITY OF KIRKWOOD'S net assets by \$1,065 accounting for 20 percent of the total growth in the government's net assets. Key elements of this increase are as follows:

## CITY OF KIRKWOOD, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

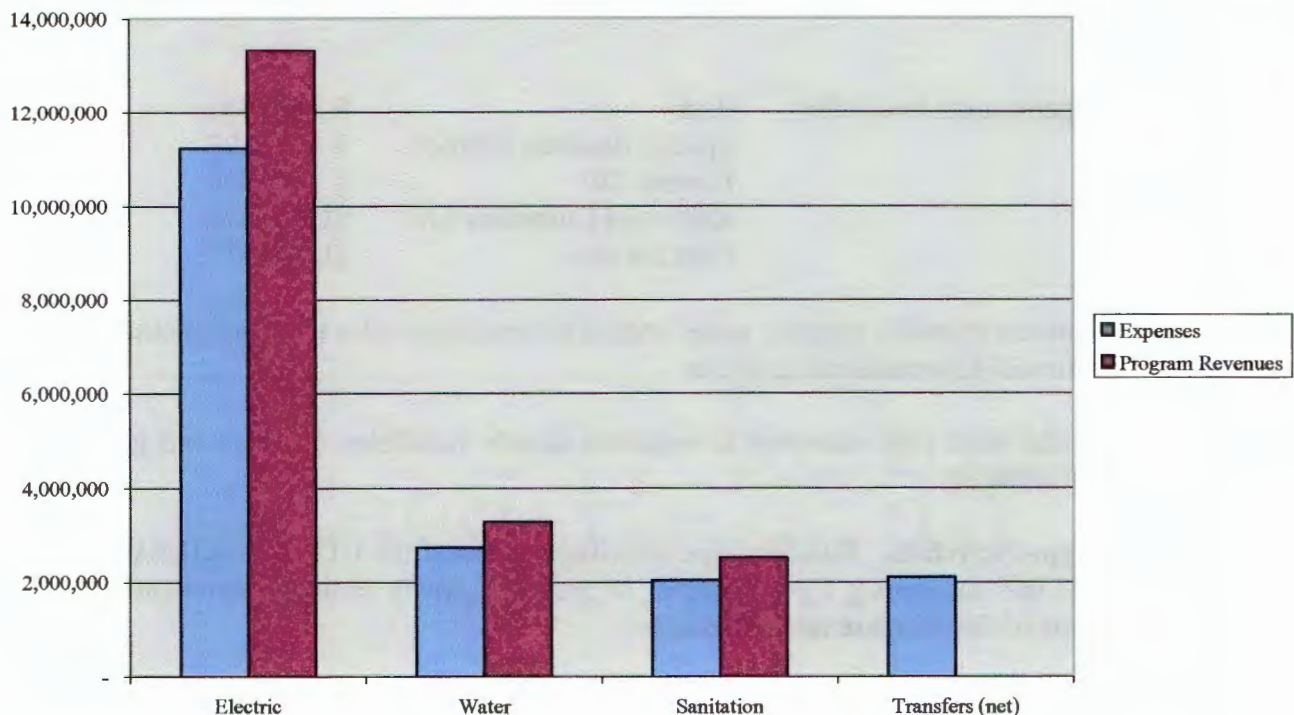
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#### Government-wide Financial Analysis (continued)

#### Business-type Activities (continued)

- Charges for electric and water services decreased by 1.6 percent. This decrease resulted from a council, approved electric rate reduction in addition to a cool summer. Citizens of Kirkwood approved an 87% increase in sanitation rates in April 2004. This rate increase has enabled the sanitation fund to operate on a profitable basis. The sanitation fund operated at a loss of \$331 in fiscal year 2004 while operating at a profit of \$551 this fiscal year.
- The Electric Fund implemented the third and final rate reduction in October 2004.. The cumulative effect will be approximately a one million dollar decrease in revenues annually. Council has historically matched the rates of AmerenUE a regional provider that serves approximately one third of Kirkwood citizens.
- The water funds revenues decreased slightly due to a cool summer.
- The sanitation fund made monies due to the rates (charges) increase approved by the citizens of Kirkwood.

Expenses and Program Revenues - Business Type Activities





## CITY OF KIRKWOOD, MISSOURI

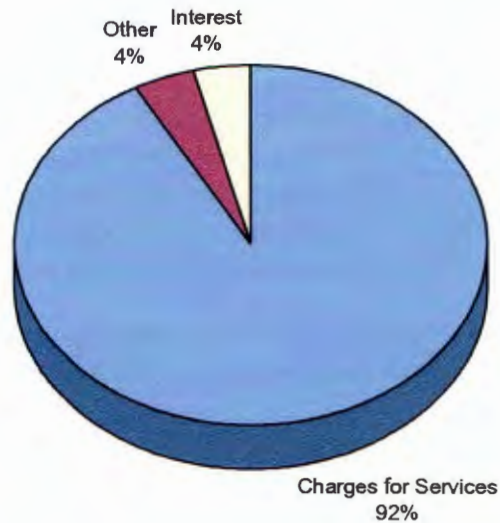
### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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#### **Government-wide Financial Analysis (continued)**

#### **Business-type Activities (continued)**

**Revenues by Source - Business -type Activities**



#### **Financial Analysis of the Government's Funds**

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

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

## CITY OF KIRKWOOD, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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#### **Financial Analysis of the Government's Funds (continued)**

As of the end of the current fiscal year, the CITY OF KIRKWOOD'S governmental funds reported combined ending fund balance of \$15,848, a decrease of \$236 in comparison with the prior year. Approximately one half of this total amount (\$8,254) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for capital projects (\$5,250), 2) invested in inventory (\$ 74), 3) to assist in drug law enforcement (\$155), 4) invested in prepaid assets (\$3) and 4) for debt service (\$2,108).

The general fund is the chief operating fund of the CITY OF KIRKWOOD. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,684, while total fund balance reached \$2,762. 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 16.8 percent of total general fund expenditures, while total fund balance represents approximately 17 percent of that same amount.

The fund balance of the CITY OF KIRKWOOD'S general fund increased by \$176 during the current fiscal year. Key factors in this growth are as follows:

- Our ambulance service, which generated revenues of \$533
- Construction permits of the general fund continues to do well generating \$1,877 in fees , as a result of construction and infill developments in Kirkwood.
- The general fund received transfers from the water, parks/recreation sales tax fund and the electric fund. This transfer of \$2,108 is used to help pay for the day-to-day services provided through the general fund.

The debt service fund has a total fund balance of \$2,108, all of which is reserved for the payment of debt service. The government enacted a dedicated property tax for debt service when initially approved by the voters. This annual property tax produced revenues of \$1,440 in the current fiscal year which when combined with fund balance is more than enough to service our general obligation debt.

*Proprietary Funds.* The CITY OF KIRKWOOD'S proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sanitation funds at the end of the year amounted to \$ 4,891, and those for the electric distribution operation amounted to \$19,747. The total growth in net assets for these funds was \$675 and \$390, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the CITY OF KIRKWOOD'S business-type activities.

## CITY OF KIRKWOOD, MISSOURI

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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#### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were relatively minor (\$395 increase in appropriations) and are summarized on pages 64 through 67.

Of this increase most was funded with transfers from the electric fund with several thousand dollars coming from grants and donations with the difference being budgeted from fund balance.

#### **Capital Asset and Debt Administration**

**Capital Assets.** The CITY OF KIRKWOOD'S investment in capital assets for its governmental and business type activities as of March 31, 2005, amounts to \$56,023 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the CITY OF KIRKWOOD'S investment in capital assets for the current fiscal year was \$1,822.

Major capital asset events during the current year included the following:

- Purchased rolling stock to include police patrol vehicles, program vehicles for the police detective division.
- Purchased the train station located in the heart of Kirkwood. This one million dollar purchase will enable Kirkwood to preserve the rich heritage and the gateway to our community.
- Just over \$ 551 in street equipment purchases in addition to \$ 435 on street and sidewalks expenditures.
- Various Parks and Recreation capital projects were completed at a cost of just over \$ 1,216.



CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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**City of Kirkwood's Capital Assets**

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 5,139,028	\$ 4,766,590	\$ 357,917	\$ 357,917	\$ 5,496,945	\$ 5,124,507
Buildings	21,135,230	19,952,955	205,778	214,585	21,341,008	20,167,540
Distribution system	- -	- -	6,084,678	5,845,477	6,084,678	5,845,477
Infrastructure	14,045,075	14,107,290	- -	- -	14,045,075	14,107,290
Machinery & equipment	1,842,342	1,917,636	1,575,461	1,720,518	3,417,803	3,638,154
Automotive equipment	2,189,043	2,016,987	958,029	861,779	3,147,072	2,878,766
Improvements other than buildings	- -	- -	348,245	326,860	348,245	326,860
Construction in progress	<u>2,049,814</u>	<u>2,005,197</u>	<u>92,507</u>	<u>107,329</u>	<u>2,142,321</u>	<u>2,112,526</u>
Total	<u>\$46,400,532</u>	<u>\$44,766,655</u>	<u>\$9,622,615</u>	<u>\$9,434,465</u>	<u>\$56,023,147</u>	<u>\$54,201,120</u>

Additional information on the CITY OF KIRKWOOD'S capital assets can be found in note 4 on pages 42 through 45 of this report.

**Long-Term Debt.** At the end of the current fiscal year, the CITY OF KIRKWOOD had total debt outstanding of \$37,018. Of this amount, \$9,150 comprises debt backed by the full faith and credit of the government and \$18,138 is tax increment finance debt for which the government is liable for the payment of collected incremental revenues for a period of seventeen years. If the tax increment debt is not paid off in seventeen years the debt is forgiven. The remainder of the CITY OF KIRKWOOD'S debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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**City of Kirkwood's Outstanding Debt**

	General Obligation					
	Governmental		Business-type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$ 9,125,000	\$10,745,000	\$ 25,000	\$ 75,000	\$ 9,150,000	\$10,820,000
PFA Leasehold Revenue Bonds	\$ 9,730,000	\$10,245,000	\$ --	\$ --	\$ 9,730,000	\$10,245,000
Tax Increment	\$18,138,484	\$19,497,864	\$ --	\$ --	\$18,138,484	\$19,497,864

The CITY OF KIRKWOOD'S total debt decreased by \$3,544 during the current fiscal year. The key factor in this decrease was the revenues generated by the Kirkwood Commons Tax Increment Financing district, which accounted for 31% of the debt reduction.

The CITY OF KIRKWOOD maintains a "AA" rating from Standard & Poor's and a "Aa" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the CITY OF KIRKWOOD is \$46,075, which is significantly in excess of the CITY OF KIRKWOOD'S outstanding general obligation debt.

Additional information on the CITY OF KIRKWOOD'S long-term debt can be found in note 6 on pages 52 through 57 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- Sales taxes and electric revenues have started to increase. These are the number one and two revenue sources for the general fund.
- All of our enterprise operations operated profitably this fiscal year.

All of these factors were considered in preparing the CITY OF KIRKWOOD'S budget for the 2005/2006 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$2,762. It is intended that this use of available fund balance will assist management in trying to maintain the current level of services.

CITY OF KIRKWOOD, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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**Economic Factors and Next Year's Budgets and Rates**

Our electric distribution operation has historically matched a regional electric supplier AmerenUE rates. AmerenUE serves a third of Kirkwood's citizens. The public service commission forced AmerenUE to lower their electric rates over a three-year period. Kirkwood followed suit and in October of 2004 Kirkwood implemented the third rate reduction in as many years. After the third reduction we estimate our revenue loss will be over a million dollars a year.

**Requests for Information**

This financial report is designed to provide a general overview of the CITY OF KIRKWOOD'S finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Kirkwood, Director of Finance, 139 S. Kirkwood Road Kirkwood, Missouri 63122-4303.



CITY OF KIRKWOOD, MISSOURI

STATEMENT OF NET ASSETS  
MARCH 31, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
<b>ASSETS:</b>				
Cash and short-term investments.....	\$ 18,142,512	\$ 24,040,005	\$ 42,182,517	\$ 19,203
Receivables:				
Taxes - net of uncollectible amount of \$5,718.....	1,292,186	-	1,292,186	-
Services.....	394,601	1,058,083	1,452,684	-
Interest.....	77,176	140,261	217,437	-
Other.....	249,750	46,714	296,464	-
Internal balances.....	(192,708)	192,708	-	-
Inventories.....	88,484	267,254	355,738	-
Prepaid items.....	3,706	-	3,706	-
Bond issue costs, net.....	349,036	-	349,036	-
Capital assets:				
Nondepreciable.....	7,188,842	450,424	7,639,266	-
Depreciable.....	39,211,690	9,172,191	48,383,881	-
<b>TOTAL ASSETS.....</b>	<b>\$ 66,805,275</b>	<b>\$ 35,367,640</b>	<b>\$ 102,172,915</b>	<b>\$ 19,203</b>
<b>LIABILITIES:</b>				
Accounts payable.....	\$ 608,174	\$ 797,814	\$ 1,405,988	\$ -
Accrued interest.....	345,681	274	345,955	-
Other accrued liabilities.....	310,635	71,189	381,824	-
Payable to external parties.....	17,684	-	17,684	-
Claims payable.....	1,174,353	-	1,174,353	-
Deposits and escrow funds.....	795,747	167,529	963,276	-
Long-Term Liabilities:				
Due within one year.....	1,564,376	94,495	1,658,871	-
Due in more than one year.....	35,118,218	-	35,118,218	-
<b>TOTAL LIABILITIES.....</b>	<b>39,934,868</b>	<b>1,131,301</b>	<b>41,066,169</b>	<b>-</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt.....	28,479,834	9,597,615	38,077,449	-
Restricted for:				
Capital projects.....	5,249,060	-	5,249,060	-
Debt service.....	2,127,376	-	2,127,376	-
TIF bonds and notes.....	4,282,196	-	4,282,196	-
Unrestricted.....	(13,268,059)	24,638,724	11,370,665	19,203
<b>TOTAL NET ASSETS.....</b>	<b>\$ 26,870,407</b>	<b>\$ 34,236,339</b>	<b>\$ 61,106,746</b>	<b>\$ 19,203</b>

See accompanying notes to the basic financial statements

**CITY OF KIRKWOOD, MISSOURI**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Unit
					Governmental Activities	Business-Type Activities	Total	Industrial Development Authority
Governmental Activities:								
General government and finance.....	\$ 4,768,694	\$ 2,004,790	\$ 81,268	\$ -	\$ (2,682,636)	\$ -	\$ (2,682,636)	\$ -
Purchasing.....	239,462	-	-	-	(239,462)	-	(239,462)	-
Engineering.....	451,564	64,133	-	-	(387,431)	-	(387,431)	-
Building maintenance.....	296,924	-	-	-	(296,924)	-	(296,924)	-
Building commissioner.....	618,930	802,837	-	-	183,907	-	183,907	-
Police.....	4,715,580	209,689	15,338	19,530	(4,471,023)	-	(4,471,023)	-
Fire.....	4,056,537	558,272	-	-	(3,498,265)	-	(3,498,265)	-
Streets.....	2,536,008	14,969	-	-	(2,521,039)	-	(2,521,039)	-
Parks.....	1,076,587	33,357	-	40,850	(1,002,380)	-	(1,002,380)	-
Recreation.....	2,203,712	1,325,559	-	-	(878,153)	-	(878,153)	-
Interest and fiscal agent fees on long-term debt.....	2,142,644	-	-	-	(2,142,644)	-	(2,142,644)	-
Total Governmental Activities.....	23,106,642	5,013,606	96,606	60,380	(17,936,050)	-	(17,936,050)	-
Business-Type Activities:								
Electric.....	11,245,809	13,311,734	-	-	-	2,065,925	2,065,925	-
Water.....	2,748,290	3,291,494	-	-	-	543,204	543,204	-
Sanitation.....	2,037,803	2,529,323	59,555	-	-	551,075	551,075	-
Total Business-Type Activities.....	16,031,902	19,132,551	59,555	-	-	3,160,204	3,160,204	-
TOTAL PRIMARY GOVERNMENT.....	\$ 39,138,544	\$ 24,146,157	\$ 156,161	\$ 60,380	\$ (17,936,050)	\$ 3,160,204	\$ (14,775,846)	\$ -
General Revenues:								
Property taxes levied for:								
Park.....					\$ 707,453	\$ -	\$ 707,453	\$ -
Special business district.....					97,797	-	97,797	-
Pioneer TIF.....					285,800	-	285,800	-
Kirkwood Commons TIF.....					1,074,970	-	1,074,970	-
Debt service.....					1,456,517	-	1,456,517	-
Sales tax levied for:								
General purposes.....					5,935,037	-	5,935,037	-
Capital improvement.....					2,184,968	-	2,184,968	-
Park and stormwater purposes.....					2,483,858	-	2,483,858	-
Gasoline/motor vehicle sales tax.....					1,141,847	-	1,141,847	-
Utility gross receipts taxes.....					3,308,689	-	3,308,689	-
Cigarette taxes.....					98,813	-	98,813	-
Highway, road and bridges.....					536,605	-	536,605	-
Franchise taxes.....					231,456	-	231,456	-
Earnings on investments.....					5,333	4,759	10,092	39
Gain (loss) on sale of capital assets.....					-	7,762	7,762	-
Other revenues.....					421,097	-	421,097	-
Transfers in (out).....					2,107,718	(2,107,718)	-	-
TOTAL GENERAL REVENUES.....					22,077,958	(2,095,197)	19,982,761	39
CHANGE IN NET ASSETS.....								
CHANGE IN NET ASSETS.....					4,141,908	1,065,007	5,206,915	39
NET ASSETS BEGINNING OF YEAR, RESTATED.....					22,728,499	33,171,332	55,899,831	19,164
NET ASSETS END OF YEAR.....								
NET ASSETS END OF YEAR.....					\$ 26,870,407	\$ 34,236,339	\$ 61,106,746	\$ 19,203

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

**BALANCE SHEET -  
GOVERNMENTAL FUNDS  
MARCH 31, 2005**

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Public Park Board	Kirkwood Commons TIF	Capital Improvement	Recreation/ Facilities	Other Governmental Funds	
<b>ASSETS:</b>							
Cash and investments (including cash equivalents):							
Held by trustees.....	\$ -	\$ -	\$ 2,660,176	\$ -	\$ 5	\$ 841,343	\$ 3,501,524
Restricted.....	763,602	-	695,859	-	872,259	50,000	2,381,720
Unrestricted.....	2,072,249	1,193,855	415,336	1,567,817	1,496,280	3,085,366	9,830,903
Receivables, net of allowances where applicable:							
Taxes.....	833,061	31,116	195,676	-	159,894	72,439	1,292,186
Interest.....	20,586	5,498	-	15,915	8,107	13,918	64,024
Ambulance.....	394,601	-	-	-	-	-	394,601
Other.....	72,186	-	-	135,894	36,258	4,539	248,877
Due from other funds.....	-	-	-	-	-	-	-
Inventory.....	74,095	-	-	-	-	-	74,095
Prepaid items.....	3,706	-	-	-	-	-	3,706
<b>TOTAL ASSETS.....</b>	<b>\$ 4,234,086</b>	<b>\$ 1,230,469</b>	<b>\$ 3,967,047</b>	<b>\$ 1,719,626</b>	<b>\$ 2,572,803</b>	<b>\$ 4,067,605</b>	<b>\$ 17,791,636</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>LIABILITIES:</b>							
Accounts payable.....	\$ 422,299	\$ 26,230	\$ -	\$ 21,535	\$ 19,532	\$ 84,976	\$ 574,572
Accrued wages and vacation payable.....	276,965	12,366	-	-	-	3,062	292,393
Due to other funds.....	8,656	1,039	-	-	-	200,000	209,695
Deposits payable.....	763,602	-	-	-	-	32,145	795,747
Deferred revenue.....	-	22,047	-	-	-	49,535	71,582
<b>Total Liabilities.....</b>	<b>1,471,522</b>	<b>61,682</b>	<b>-</b>	<b>21,535</b>	<b>19,532</b>	<b>369,718</b>	<b>1,943,989</b>
<b>FUND BALANCES:</b>							
Reserved for:							
Inventories.....	74,095	-	-	-	-	-	74,095
Prepaid assets.....	3,706	-	-	-	-	-	3,706
Capital projects.....	-	-	-	1,698,091	2,553,271	999,380	5,250,742
Debt service.....	-	-	-	-	-	2,108,407	2,108,407
Drug enforcement law.....	-	-	-	-	-	155,705	155,705
Unreserved:							
Designated for:							
Protested telecommunications.....	241,374	-	-	-	-	-	241,374
Donated purposes.....	-	-	-	-	-	50,000	50,000
Reported in:							
General fund.....	2,443,389	-	-	-	-	-	2,443,389
Special revenue funds.....	-	1,168,787	3,967,047	-	-	384,395	5,520,229
<b>Total Fund Balances.....</b>	<b>2,762,564</b>	<b>1,168,787</b>	<b>3,967,047</b>	<b>1,698,091</b>	<b>2,553,271</b>	<b>3,697,887</b>	<b>15,847,647</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 4,234,086</b>	<b>\$ 1,230,469</b>	<b>\$ 3,967,047</b>	<b>\$ 1,719,626</b>	<b>\$ 2,572,803</b>	<b>\$ 4,067,605</b>	<b>\$ 17,791,636</b>

See accompanying notes to the basic financial statements



CITY OF KIRKWOOD, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
MARCH 31, 2005

**Total fund balance - governmental funds.....** \$ 15,847,647

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 \$75,716,201  
and the accumulated depreciation is \$29,315,669..... 46,400,532

Property taxes assessed by the City, but not collected within 60 days of year  
end, are deferred within the fund financial statements. However, revenue for  
this amount is recognized in the government-wide statements..... 71,582

The internal service fund is used by the City to charge the cost of medical  
and worker's compensation insurance and city-wide vehicle and equipment  
maintenance and repair costs to individual funds. The assets and liabilities  
of the internal service fund are included in governmental activities in the  
statement of net assets..... 1,229,885

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 assets. Discounts,  
premiums, deferred amount on refunding 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 March 31, 2005 are:

Accrued compensated absences, vacation.....	(274,376)	
Accrued interest on outstanding debts.....	(345,681)	
Bonds and notes payable.....	(36,993,484)	
Deferred amount on refunding.....	625,143	
Unamortized bond issue costs.....	349,036	
Unamortized bond discount.....	81,372	
Unamortized bond premium.....	(121,249)	
		(36,679,239)

**Total net assets - governmental activities.....** \$ 26,870,407

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Major Funds					Nonmajor Funds Other Governmental Funds	Total Governmental Funds
	General	Public Park Board	Kirkwood Commons TIF	Capital Improvement	Recreation/ Facilities		
REVENUES:							
Taxes, including interest and penalties.....	\$ 9,350,278	\$ 702,013	\$ 3,916,856	\$ 1,690,663	\$ 1,989,553	\$ 1,872,597	\$ 19,521,960
Intergovernmental.....	269,545	-	-	-	66,474	-	336,019
Licenses, permits, fines and fees.....	1,877,173	33,358	261,705	-	-	508,820	2,681,056
Investment income (loss).....	(22,049)	(5,368)	33,438	7,280	(7,296)	3,764	9,769
Charges for services.....	1,858,815	-	-	-	-	-	1,858,815
Grants.....	-	40,850	-	-	-	-	40,850
Contributions.....	-	-	-	-	-	-	-
Other.....	630,554	26	-	950	253	2,559	634,342
Total Revenues.....	13,964,316	770,879	4,211,999	1,698,893	2,048,984	2,387,740	25,082,811
EXPENDITURES:							
Current:							
General government and finance.....	2,609,005	-	-	-	24,717	690,929	3,324,651
Purchasing.....	233,086	-	-	-	-	-	233,086
Engineering.....	439,124	-	-	-	-	-	439,124
Building maintenance.....	289,671	-	-	-	-	-	289,671
Building commissioner.....	605,929	-	-	-	-	-	605,929
Police.....	4,566,273	-	-	-	-	-	4,566,273
Fire.....	3,659,208	-	-	-	-	-	3,659,208
Streets.....	1,565,692	-	-	-	-	-	1,565,692
Recreation.....	1,560,057	-	-	-	-	-	1,560,057
Parks.....	-	898,517	-	-	-	-	898,517
Capital outlay.....	417,835	151,778	-	1,437,953	516,723	2,281,812	4,806,101
Debt Service:							
Principal retirement.....	-	-	1,305,000	995,000	515,000	755,000	3,570,000
Interest and fiscal charges.....	-	-	1,053,332	46,867	274,987	663,758	2,038,944
Total Expenditures.....	15,945,880	1,050,295	2,358,332	2,479,820	1,331,427	4,391,499	27,557,253
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,981,564)	(279,416)	1,853,667	(780,927)	717,557	(2,003,759)	(2,474,442)
OTHER FINANCING SOURCES (USES):							
Transfers in.....	2,157,400	320,000	-	65,000	-	312,718	2,855,118
Transfers out.....	-	-	-	-	(660,000)	-	(660,000)
Proceeds from sale of capital assets.....	-	10,475	-	32,572	-	-	43,047
Total Other Financing Sources (Uses).....	2,157,400	330,475	-	97,572	(660,000)	312,718	2,238,165
NET CHANGE IN FUND BALANCES.....	175,836	51,059	1,853,667	(683,355)	57,557	(1,691,041)	(236,277)
FUND BALANCES, BEGINNING OF YEAR.....	2,586,728	1,117,728	2,113,380	3,283,832	2,445,547	4,461,554	16,008,769
PRIOR PERIOD ADJUSTMENT.....	-	-	-	(902,386)	50,167	927,374	75,155
FUND BALANCES, END OF YEAR.....	\$ 2,762,564	\$ 1,168,787	\$ 3,967,047	\$ 1,698,091	\$ 2,553,271	\$ 3,697,887	\$ 15,847,647

See accompanying notes to the basic financial statements

# CITY OF KIRKWOOD, MISSOURI

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED MARCH 31, 2005

<b>Net change in fund balances - total governmental funds.....</b>	<b>\$ (236,277)</b>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000, for general and 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.....	3,908,401	
Depreciation expense.....	(2,220,222)	1,688,179

In the statement of activities, the loss on the disposition of capital assets is reported. The fund financial statements recognize only the proceeds from the sale of those assets.....

(54,456)

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.

Debt issued (unpaid interest added to principal).....	(75,620)	
Repayment of bond principal.....	3,570,000	3,494,380

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

The net effect of these differences is as follows:

Accrued interest on bonds.....	42,962	
Compensated absences.....	(5,076)	
Amortization of premiums and discounts on debt issuance.....	14,396	
Amortization of bond issuance costs.....	(34,819)	
Amortization of deferred amount on refunding.....	(50,619)	(33,156)

The internal service funds are used by management to charge the costs of the risk management and fleet services activities to individual funds. The adjustments for the internal service fund "close" the fund by charging additional amounts to participating activities to completely cover the internal service fund's costs for the year.

Total net decrease for the internal service fund.....	(738,612)
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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 increased this year.....

21,850

<b>Change in net assets of governmental activities.....</b>	<b>\$ 4,141,908</b>
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See accompanying notes to the basic financial statements



CITY OF KIRKWOOD, MISSOURI

**STATEMENT OF FUND NET ASSETS - PROPRIETARY FUNDS  
MARCH 31, 2005**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water	Sanitation	Total	
ASSETS:					
Current Assets:					
Cash and investments:					
Restricted.....	\$ 135,230	\$ 31,670	\$ -	\$ 166,900	\$ 15,000
Unrestricted.....	18,921,652	4,254,875	696,578	23,873,105	2,413,365
Receivables, net of allowances:				-	-
Services.....	628,393	236,534	193,156	1,058,083	-
Interest.....	109,454	25,944	4,863	140,261	13,152
Other.....	9,894	6,000	30,820	46,714	873
Inventory.....	177,327	39,654	50,273	267,254	14,389
Due from other funds.....	600,000	-	-	600,000	-
				-	-
Total Current Assets.....	20,581,950	4,594,677	975,690	26,152,317	2,456,779
Capital Assets:					
Land and construction in progress.....	279,173	37,194	134,057	450,424	-
Buildings and system.....	5,432,221	8,101,613	162,910	13,696,744	-
Machinery and equipment.....	2,866,183	784,580	1,095,018	4,745,781	-
Less: Accumulated depreciation.....	(4,989,750)	(3,784,704)	(495,880)	(9,270,334)	-
Capital Assets, Net of Accumulated Depreciation.....	3,587,827	5,138,683	896,105	9,622,615	-
Total Assets.....	24,169,777	9,733,360	1,871,795	35,774,932	2,456,779
LIABILITIES:					
Current Liabilities:					
Accounts payable.....	628,144	68,548	101,122	797,814	33,602
Accrued wages and vacation.....	67,389	46,873	26,422	140,684	18,242
Due to other funds.....	3,237	2,233	401,822	407,292	697
Accrued interest payable.....	274	-	-	274	-
Deposits payable from restricted assets.....	135,859	31,670	-	167,529	-
Claims payable.....	-	-	-	-	1,174,353
Current portion of bonds payable.....	25,000	-	-	25,000	-
Total Current Liabilities.....	859,903	149,324	529,366	1,538,593	1,226,894
Total Liabilities.....	859,903	149,324	529,366	1,538,593	1,226,894
NET ASSETS:					
Invested in capital assets, net of related debt.....	3,562,827	5,138,683	896,105	9,597,615	-
Restricted.....	-	-	-	-	-
Unrestricted.....	19,747,047	4,445,353	446,324	24,638,724	1,229,885
TOTAL NET ASSETS.....	\$ 23,309,874	\$ 9,584,036	\$ 1,342,429	\$ 34,236,339	\$ 1,229,885

See accompanying notes to basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water	Sanitation	Total	
OPERATING REVENUES:					
Electric sales.....	\$12,864,246	\$ -	\$ -	\$12,864,246	\$ -
Water sales.....	-	3,003,495	-	3,003,495	-
Sanitation fees.....	-	-	2,529,056	2,529,056	-
Charges for services.....	-	-	-	-	3,246,415
Other.....	447,488	287,999	59,822	795,309	40,700
Total Operating Revenues.....	13,311,734	3,291,494	2,588,878	19,192,106	3,287,115
OPERATING EXPENSES:					
Administrative and general.....	810,744	312,061	918,650	2,041,455	875,644
Customer accounting.....	186,947	322,352	111,941	621,240	-
Purchased power.....	7,767,207	-	-	7,767,207	-
Production.....	-	991,595	-	991,595	-
Distribution maintenance.....	1,829,144	860,797	-	2,689,941	-
Maintenance and supplies.....	234,584	45,075	-	279,659	-
Pickup, hauling and disposal.....	-	-	870,556	870,556	-
Claims and insurance premiums.....	-	-	-	-	3,058,152
Depreciation.....	412,555	216,410	136,656	765,621	-
Total Operating Expenses.....	11,241,181	2,748,290	2,037,803	16,027,274	3,933,796
OPERATING INCOME (LOSS).....	2,070,553	543,204	551,075	3,164,832	(646,681)
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss).....	14,495	(9,151)	(585)	4,759	(4,531)
Interest expense.....	(4,628)	-	-	(4,628)	-
Gain on sales of property, plant and equipment.....	2,500	5,262	-	7,762	-
Total Nonoperating Revenues (Expenses).....	12,367	(3,889)	(585)	7,893	(4,531)
INCOME (LOSS) BEFORE TRANSFERS.....	2,082,920	539,315	550,490	3,172,725	(651,212)
TRANSFERS OUT.....	(1,692,718)	(350,000)	(65,000)	(2,107,718)	(87,400)
CHANGE IN NET ASSETS.....	390,202	189,315	485,490	1,065,007	(738,612)
NET ASSETS, BEGINNING OF YEAR.....	22,311,994	9,398,413	1,471,535	33,181,942	1,968,497
PRIOR PERIOD ADJUSTMENTS.....	607,678	(3,692)	(614,596)	(10,610)	-
NET ASSETS, END OF YEAR.....	\$ 23,309,874	\$ 9,584,036	\$ 1,342,429	\$ 34,236,339	\$ 1,229,885

See accompanying notes to the basic financial statements



**CITY OF KIRKWOOD, MISSOURI**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water	Sanitation	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers.....	\$ 12,725,492	\$ 2,994,281	\$ 2,442,268	\$ 18,162,041	\$ 3,245,892
Payments to suppliers.....	(9,098,484)	(1,544,195)	(1,023,752)	(11,666,431)	(3,026,064)
Payments to employees.....	(1,784,874)	(1,146,307)	(882,327)	(3,813,508)	(482,028)
Other receipts.....	408,326	278,742	38,762	725,830	40,700
Net Cash Provided By (Used In)					
Operating Activities.....	2,250,460	582,521	574,951	3,407,932	(221,500)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out.....	(1,692,718)	(350,000)	(65,000)	(2,107,718)	(87,400)
Receipt of (payment for) interfund borrowing.....	200,043	212	(200,012)	243	(244)
Net Cash Used In Noncapital Financing Activities.....	(1,492,675)	(349,788)	(265,012)	(2,107,475)	(87,644)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets.....	(128,840)	(703,881)	(127,390)	(960,111)	-
Proceeds from sale of property, plant and equipment.....	2,500	11,604	-	14,104	-
Principal paid on bonds.....	(50,000)	-	-	(50,000)	-
Interest paid on bonds.....	(4,628)	-	-	(4,628)	-
Net Cash Used In Capital and Related Financing Activities.....	(180,968)	(692,277)	(127,390)	(1,000,635)	-
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:					
Interest received on investments.....	63,868	6,111	(5,448)	64,531	4,073
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	640,685	(453,433)	177,101	364,353	(305,071)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	18,416,197	4,739,978	519,477	23,675,652	2,733,436
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 19,056,882	\$ 4,286,545	\$ 696,578	\$ 24,040,005	\$ 2,428,365



CITY OF KIRKWOOD, MISSOURI

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Electric	Water	Sanitation	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss).....	\$ 2,070,553	\$ 543,204	\$ 551,075	\$ 3,164,832	\$ (646,681)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense.....	412,555	216,410	136,656	765,621	-
(Increase) decrease in assets:					
Service receivable.....	(138,754)	(9,214)	(86,788)	(234,756)	-
Other receivables.....	(1,624)	(6,250)	(21,060)	(28,934)	(524)
Inventory.....	2,511	(10,585)	(25,034)	(33,108)	8,740
Increase (decrease) in liabilities:					
Accounts payable.....	(58,734)	(148,371)	18,445	(188,660)	7,890
Accrued wages and vacation.....	1,491	334	1,657	3,482	(6,226)
Deposits held for others.....	(37,538)	(3,007)	-	(40,545)	-
Claims payable.....	-	-	-	-	415,301
Total adjustments.....	179,907	39,317	23,876	243,100	425,181
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....					
	\$ 2,250,460	\$ 582,521	\$ 574,951	\$ 3,407,932	\$ (221,500)

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS -  
FIDUCIARY FUND TYPES - TRUST AND AGENCY FUNDS  
MARCH 31, 2005

	<u>Pension Trust</u>	<u>Agency</u>
ASSETS:		
Cash and investments:		
Held by trustees:		
Short-Term reserves.....	\$ 3,539,391	\$ -
Bond funds.....	2,404,875	-
Balanced funds.....	5,394,661	-
Domestic stock funds.....	14,493,364	-
International stock funds.....	2,430,322	-
Stable value money market funds.....	90,952	-
Vanguard brokerage option fund.....	3,787,510	-
Restricted.....	2,159,887	41,456
Receivables, net of allowances:		
Intergovernmental.....	4,351	-
Interest.....	13,241	-
Other.....	64,798	-
Due from other funds.....	17,705	-
Total Assets.....	<u>34,401,057</u>	<u>41,456</u>
LIABILITIES:		
Accounts payable.....	31,781	-
Due to other funds.....	19	-
Deposits payable.....	-	41,026
Due to trustee.....	-	430
Total Liabilities.....	<u>31,800</u>	<u>41,456</u>
NET ASSETS:		
Reserved for employees' pension benefits.....	<u>\$ 34,369,257</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

CITY OF KIRKWOOD, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -  
PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Employer.....	\$ 1,208,775
Employee, net of refunds.....	348,458
Total Contributions.....	<u>1,557,233</u>
Investment income:	
Interest and dividends.....	426,809
Net appreciation in the fair value of plan investments.....	<u>733,599</u>
Total investment income.....	1,160,408
Less: investment expenses.....	<u>38,233</u>
Net investment income.....	<u>1,122,175</u>
Total Additions.....	<u>2,679,408</u>
DEDUCTIONS:	
Benefit payments.....	<u>1,619,868</u>
Administrative and general expenses:	
Insurance, taxes and other premiums.....	212,026
Professional fees.....	<u>103,736</u>
Total administrative and general expenses.....	<u>315,762</u>
Total Deductions.....	<u>1,935,630</u>
CHANGE IN NET ASSETS.....	743,778
NET ASSETS HELD IN TRUST FOR EMPLOYEE PENSION BENEFITS BEGINNING OF YEAR.....	<u>33,625,479</u>
END OF YEAR.....	<u><u>\$ 34,369,257</u></u>

See accompanying notes to the basic financial statements



## CITY OF KIRKWOOD, MISSOURI

### NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2005

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Kirkwood, Missouri (the "City") was formally established as the Town of Kirkwood in 1853. In 1865, the citizens requested and received a charter from the Missouri State Legislature. As a result of being incorporated, Kirkwood became a village governed by a Board of Trustees elected by the voters. The City now operates under a charter form of government adopted in 1983 in accordance with the provisions of the Missouri Constitution. The governing body is comprised of a mayor and six council members who appoint a chief administrative officer who is responsible for the day-to-day operations of the City. The City provides the following services: public safety (police and fire), general administration, engineering, streets, vehicle, building, maintenance, electric, water and sanitation, parks and recreation and general administrative services.

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

#### Reporting Entity

The City's financial reporting entity has been determined in accordance with governmental standards for defining the financial reporting entity and identifying entities to be included in its basic financial statements. These standards identify the City's financial accountability for potential component units as the primary, but not only, criteria for inclusion. The City's financial reporting entity consists of the City of Kirkwood (the primary government) and its component units. The component units discussed below are included in the City's financial reporting entity because of the significance of their operational or financial relationships with the City.

#### Blended Component Units

The following component units are legally separate from the City, however, the activities are so intertwined with the City as the primary government that they are, in substance, the same as the primary government. As such, the balances and transactions of the component units are blended into the accompanying basic financial statements and reported in a manner similar to the balances and transactions of the City itself.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reporting Entity (continued)

City of Kirkwood, Missouri Public Facilities Authority (PFA)

The PFA is a not-for-profit corporation created by Ordinance of the City Council, organized and existing under the laws of the State of Missouri. Board members are appointed by the Mayor of the City and must be approved by Council. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of Kirkwood, Missouri. Funding of such capital improvements and facilities is provided through the issuance of leasehold revenue bonds. The PFA is accounted for as if it were part of the City's operations because it was established to provide services exclusively to the City.

Downtown Special Business District (SBD)

The SBD was created by Ordinance of the City Council, organized and existing under the laws of the State of Missouri. Board members are the same as the City Council. The City is responsible for fiscal management and exercises control over the SBD. The SBD is accounted for as a part of the City's operations because the governing body of the SBD is the same as the City.

Discretely Presented Component Unit

The discretely presented component unit column in the government-wide financial statements includes the financial data of the City's other component unit. It is reported in a separate column to emphasize that it is legally separate from the City.

Industrial Development Authority of the City of Kirkwood, Missouri (IDA)

The IDA is a not-for-profit corporation established by an Ordinance of the City Council and formed under RSMo. Chapter 349, *The Industrial Development Corporations Act*. It is designed to develop, advance, encourage and promote commercial, industrial and manufacturing facilities in the City. The IDA Board of Directors are appointed by the Mayor with consent of the City Council. The City provides the IDA financial and administrative support. Separate financial statements are not prepared for the IDA.



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related Organizations

The City's officials are also responsible for appointing members to the boards of other organizations, but the City's accountability for these organizations does not extend beyond making such appointments. The Mayor or City Council appoints a majority of the governing members of the Municipal Library District of Kirkwood and the Kirkwood Housing Authority. These related organizations are not included as component units within the City's financial reporting entity.

The Public Park Board is an agency of the City with its Board members appointed by the Mayor and the City Council. The Park Board has the authority to adopt and amend its own budget only. The City sets and levies the Park Board's property taxes and holds all corporate powers. The Public Park Board is therefore not a legal entity and is accounted for as a separate special revenue fund.

Government-Wide and Fund Financial Statements

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

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 and/or services, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings and other items not properly included among program revenues are reported instead as general revenues.

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.



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

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

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

Public Park Board - Used to account for property tax proceeds restricted specifically for park operations.

Kirkwood Commons TIF - Used to account for the activities of the City's Kirkwood Commons tax increment financing district.

Capital Improvements - This fund is used to account for financial resources designated for the acquisition or construction of major capital facilities or improvements.

Recreation/Facilities - This fund is used to account for financial resources designated for the construction of the City's recreation/facilities complex.

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, the capital project funds which account for financial resources to be used for acquisition or construction of major capital facilities and the debt service fund which is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is on the determination of net income and capital maintenance.

Enterprise Funds - 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 three enterprise funds which are all considered major funds as follows:

Electric - The electric fund is used to account for the billing and collection of charges for electric services for customers of the electric utility system. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

Water - The water fund is used to account for the billing and collection of charges for water services for customers of the waterworks system. Revenues are used to pay for both operating expenses and capital expenditures to maintain these services.

Sanitation - The sanitation 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.

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

Internal Service Funds - Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City. Three internal service funds have been established to account for the payment of medical insurance, workers' compensation and city-wide vehicle and equipment maintenance and repair costs.

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

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fiduciary Fund Type - Trust and Agency Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Pension trust funds are accounted for and reported similar to proprietary funds. The pension trust funds account for the City's Police Officers' and Firefighters' Pension Plan and the Employees' Pension Plan. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations. The City's agency funds account for municipal court collections for bail bonds and deposits collected on behalf of the trustee of the transportation development district.

Measurement Focus

Measurement focus refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements.

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 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.



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting

Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Government-wide financial statements are prepared using the accrual basis of accounting; proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds used 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.

Revenues - Exchange and Non-Exchange 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.

Non-exchange 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. 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 non-exchange 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.

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

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Investments

The City maintains a cash and investment pool available to all City funds. For financial reporting purposes, investments are allocated in proportion to each fund's cash balance to the total cash balance.

Investments are shown at fair value. Fair value is determined by closing market prices at year-end as reported by the investment custodian.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond March 31, 2005, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Deferred 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 deferred 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.

Allowance for Uncollectible Accounts

The City provides an allowance for uncollectible accounts equal to the estimated collection losses that will be incurred in collection of its property tax and enterprise fund services receivable. The estimated losses are based on historical collection experience coupled with a review of the current status of the existing receivables. The City follows the practice of writing off uncollectible accounts as they are incurred for all other receivables.

## CITY OF KIRKWOOD, MISSOURI

### NOTES TO BASIC FINANCIAL STATEMENTS MARCH 31, 2005

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### Inventory

Inventory recorded in the general fund is valued at average cost, using the first-in, first-out (FIFO) method and consist of expendable supplies held for consumption. The cost of inventory is recorded as expenditures as the individual inventory items are utilized. The reserve for inventory is equal to the inventory capitalized to indicate that a portion of the fund balance is not available for appropriation.

Inventory recorded in the enterprise funds are valued at average cost using a first-in, first-out method, and consist of materials and supplies held for consumption and construction of distribution systems.

##### Capital Assets

Capital assets, which include property, plant, equipment and 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, including infrastructure, are defined as assets with an initial, individual cost of \$5,000 or more 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 market 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.

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

Buildings	30 - 40 years
Building improvements	5 - 25 years
Water treatment plant	40 - 50 years
Distribution system	25 - 75 years
Machinery and equipment	3 - 15 years
Automotive equipment	3 - 10 years
Streets, bridges and sidewalks	20 - 75 years

##### Long-Term Liabilities

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



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Term Liabilities (continued)

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.

Accumulated Unpaid Vacation and Sick Leave

City employees earn vacation based upon their years of continuous service on a calendar year basis. Accrued vacation time is payable to employees upon termination. Sick leave accrues each month of continuous service, subject to a maximum of 130 days, and is payable during periods of illness. The City does not accrue nor is obligated for payment of accumulated sick days.

Accumulated unpaid vacation is accrued in the government-wide financial statements and in the proprietary funds. A liability is recorded in the governmental fund financial statements when payment is due.

Capital Contributions

Capital contributions in the enterprise funds represent government grants, contributions and other aid to fund capital projects. In accordance with GASB 33, capital contributions are recognized as revenue when the expenditure is made and amounts become subject to claim for reimbursement.

Interfund Transactions

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.

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

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

In the government-wide and proprietary fund financial statements, net assets are 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.

Statement of Cash Flows

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

Estimates and Assumptions

The preparation of basic 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.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2005

2. CASH AND INVESTMENTS

The City maintains a cash and investment pool available to all City funds. For financial reporting purposes, investments are allocated in proportion to each fund's cash balance to the total cash balance.

Missouri state statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Government agencies, the State of Missouri, and certain political subdivisions of the State of Missouri. All pension trust fund investments are governed by the investment authority known as the "prudent person rule" as set forth by state statute. Deposits in financial institutions must be collateralized by securities pledged to the City by these same institutions or covered by FDIC insurance.

At year end, the carrying amount of the City's deposits, including the discretely presented component unit, was \$(43,165) and the bank balance was \$99,706. The entire bank balance was insured by the FDIC.

Investments

Investments are shown at fair value. Fair value is determined by closing market prices at year-end as reported by the investment custodian.

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

	<u>Category</u>			<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>
Investments:				
U.S. government agency securities.....	\$ --	\$34,407,526	\$ --	\$34,407,526
Repurchase agreement .....	--	5,787,000	--	5,787,000
	<u>\$ --</u>	<u>\$40,194,526</u>	<u>\$ --</u>	40,194,526
Money market Treasury mutual funds.....				4,247,280
Mutual fund investments .....				32,141,075
Cash deposits.....				<u>(43,165)</u>
Total Cash and Investments.....				<u>\$76,539,716</u>

The discretely presented component unit cash deposit carrying value of \$19,203 is included in cash deposits.



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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3. PROPERTY TAX

The City's property tax is levied annually on or before October 1 based on the assessed valuation of all real and personal property located in the City as of the previous January 1. Assessed valuations are established by the St. Louis County Assessor. The City's tax rate per \$100 of assessed valuation is levied as follows:

	<u>Real Estate</u>		
	<u>Residential</u>	<u>Commercial</u>	<u>Personal</u>
Maintenance and operation of parks .....	\$ .136	\$ .136	\$ .136
Police Officers' and Fire Fighters' Retirement Fund .....	.160	.139	.170
Debt service .....	<u>.279</u>	<u>.279</u>	<u>.279</u>
	<u>\$ .575</u>	<u>\$ .554</u>	<u>\$ .585</u>

Additionally, the SBD levies an additional tax of \$0.571 per \$100 assessed valuation for businesses in the SBD. Taxes are billed October 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. Louis County Collector.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2005:

	Balance April 1, 2004	Additions and Transfers	Disposals and Transfers	Balance March 31, 2005
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land.....	\$ 4,766,590	\$ 372,438	\$ -	\$ 5,139,028
Construction in Progress.....	2,005,197	1,822,929	1,778,312	2,049,814
Total Capital Assets, Not Being Depreciated.....	6,771,787	2,195,367	1,778,312	7,188,842
Capital Assets, Being Depreciated:				
Buildings.....	23,268,945	1,837,413	-	25,106,358
Buildings improvements.....	2,239,000	246,950	84,900	2,401,050
Machinery and equipment.....	4,756,832	388,873	120,750	5,024,955
Automotive equipment.....	4,060,266	592,548	131,022	4,521,792
Infrastructure.....	31,159,395	501,162	187,353	31,473,204
Total Capital Assets, Being Depreciated.....	65,484,438	3,566,946	524,025	68,527,359
Less - Accumulated Depreciation For:				
Buildings.....	4,798,417	788,031	-	5,586,448
Buildings improvements.....	756,573	90,610	61,453	785,730
Machinery and equipment.....	2,839,196	383,151	39,734	3,182,613
Automotive equipment.....	2,043,279	395,053	105,583	2,332,749
Infrastructure.....	17,052,105	563,377	187,353	17,428,129
Total Accumulated Depreciation.....	27,489,570	2,220,222	394,123	29,315,669
Total Capital Assets, Being Depreciated, Net.....	37,994,868	1,346,724	129,902	39,211,690
Governmental Activities, Capital Assets, Net.....	\$ 44,766,655	\$ 3,542,091	\$ 1,908,214	\$ 46,400,532

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

4. CAPITAL ASSETS (continued)

	Balance April 1, 2004	Additions and Transfers	Disposals and Transfers	Balance March 31, 2005
<b>Business-Type Activities:</b>				
Electric:				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	\$ 186,666	\$ -	\$ -	\$ 186,666
Construction in Progress.....	107,329	-	14,822	92,507
Total Capital Assets, Not Being Depreciated.....	293,995	-	14,822	279,173
Capital Assets, Being Depreciated:				
Buildings.....	311,829	-	-	311,829
Distribution system.....	5,105,119	76,360	61,087	5,120,392
Machinery and equipment.....	2,153,761	67,302	-	2,221,063
Automotive equipment.....	645,120	-	-	645,120
Total Capital Assets, Being Depreciated.....	8,215,829	143,662	61,087	8,298,404
Less - Accumulated Depreciation For:				
Buildings.....	299,623	-	-	299,623
Distribution system.....	3,266,008	133,722	61,087	3,338,643
Machinery and equipment.....	744,978	197,951	-	942,929
Automotive equipment.....	327,673	80,882	-	408,555
Total Accumulated Depreciation.....	4,638,282	412,555	61,087	4,989,750
Total Capital Assets, Being Depreciated, Net.....	3,577,547	(268,893)	-	3,308,654
Electric:				
Capital Assets, Net.....	3,871,542	(268,893)	14,822	3,587,827
Water:				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	37,194	-	-	37,194
Total Capital Assets, Not Being Depreciated.....	37,194	-	-	37,194
Capital Assets, Being Depreciated:				
Buildings.....	95,736	-	-	95,736
Distribution system.....	7,169,067	440,334	35,845	7,573,556
Improvements other than buildings.....	398,443	33,878	-	432,321
Machinery and equipment.....	273,434	17,374	-	290,808
Automotive equipment.....	281,478	212,294	-	493,772
Total Capital Assets, Being Depreciated.....	8,218,158	703,880	35,845	8,886,193



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

4. CAPITAL ASSETS (continued)

	Balance April 1, 2004	Additions and Transfers	Disposals and Transfers	Balance March 31, 2005
<b>Business-Type Activities (continued):</b>				
<b>Water (continued):</b>				
Less - Accumulated Depreciation For:				
Buildings.....	22,121	3,377	-	25,498
Distribution system.....	3,162,701	137,432	29,506	3,270,627
Improvements other than buildings.....	71,583	12,493	-	84,076
Machinery and equipment.....	136,780	25,364	-	162,144
Automotive equipment.....	204,615	37,744	-	242,359
Total Accumulated Depreciation.....	3,597,800	216,410	29,506	3,784,704
Total Capital Assets, Being Depreciated, Net.....	4,620,358	487,470	6,339	5,101,489
Water Capital Assets, Net.....	4,657,552	487,470	6,339	5,138,683
<b>Sanitation:</b>				
Capital Assets, Not Being Depreciated:				
Land and land rights.....	134,057	-	-	134,057
Total Capital Assets, Not Being Depreciated.....	134,057	-	-	134,057
Capital Assets, Being Depreciated:				
Buildings.....	162,910	-	-	162,910
Machinery and equipment.....	280,498	13,400	-	293,898
Automotive equipment.....	821,373	175,901	196,154	801,120
Total Capital Assets, Being Depreciated.....	1,264,781	189,301	196,154	1,257,928
Less - Accumulated Depreciation For:				
Buildings.....	34,146	5,430	-	39,576
Machinery and equipment.....	105,417	19,818	-	125,235
Automotive equipment.....	353,904	111,408	134,243	331,069
Total Accumulated Depreciation.....	493,467	136,656	134,243	495,880
Total Capital Assets, Being Depreciated, Net.....	771,314	52,645	61,911	762,048
Sanitation Capital Assets, Net.....	905,371	52,645	61,911	896,105

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2005

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4. CAPITAL ASSETS (continued)

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

Government Activities:

General government and finance.....	\$ 238,721
Engineering.....	10,955
Building commissioner.....	6,012
Police.....	149,421
Fire.....	318,563
Streets.....	839,047
Recreation.....	543,457
Parks.....	<u>114,046</u>

Total depreciation expense - governmental-type activities.....	<u><u>\$ 2,220,222</u></u>
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Business-Type Activities:

Electric.....	\$ 412,555
Water.....	216,410
Sanitation.....	<u>136,656</u>

Total depreciation expense - business-type activities.....	<u><u>\$ 765,621</u></u>
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CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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5. EMPLOYEES' RETIREMENT SYSTEMS

Civilian

The City maintains a defined contribution multiple employer Employees' Pension Plan (PLAN) which covers all non-uniformed employees of the City of Kirkwood, the Kirkwood Public Library, and the Kirkwood Housing Authority. Employees are eligible for participation upon completing 500 hours of service in a consecutive six month period.

The PLAN receives contributions from the City, in accordance with City ordinances, in an amount equal to 5% of each participating employee's gross wages. Vesting of employer contributions occurs after five years of service.

Nonvested participant accounts are forfeited to the PLAN upon termination of employment. The forfeited amounts reduce the City's required contribution in the year of termination.

Benefits are paid upon retirement in the form of a lump-sum or an annuity with optional surviving spouse benefits. The PLAN purchases annuities for retirees who choose the annuity form of retirement payment. These annuities are not reflected in the assets of the PLAN.

Participants may choose to have funds invested on their behalf in any one of the following, or any combination thereof, types of investments of mutual funds: Actively managed; index; investment contract; model portfolio; or mutual fund series.

A summary of contributions and percentage of covered plan payroll of the City is presented below for fiscal year 2005:

Contributions made and required - City	\$396,443
Contribution required as a percent of covered payroll - City	5%

The PLAN issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Kirkwood, 139 South Kirkwood, Kirkwood, Missouri 63122.



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Civilian Plan for Retirees of Previous Plan

Effective April 1, 1987, the City terminated its Civilian Employees Defined Benefit Retirement Plan (former plan) and established the defined contribution plan as described above. Annuities were purchased for all retired participants to provide benefits equal to the amount received under the terminated former plan. For active participants, initial contributions were made to the new defined contribution plan equaling the amount determined to be actuarially equivalent to the accrued benefits of the former plan. The remaining assets of the former plan were segregated in a separate fund and may be used for the following:

- Disability insurance premiums;
- Group life insurance premiums;
- Discretionary uplift benefits to retirees; and
- Certain administrative expenses of the plan.

Effective April 1, 1988, the City enacted Ordinance No. 7788 which provides supplemental pension benefits to those retirees and terminated vested participants who had received annuity payments under the terminated former plan. The effects of this Ordinance were to increase monthly benefits to retirees who were receiving benefits prior to January 1, 1987 to 2% times the number of years retired (or portion thereof) at April 1, 1988. Ordinance No. 8160 subsequently provided a 7% increase in benefits to a retiree effective January 1, 1992.

Annuities were purchased for all retired and terminated vested participants to provide uplift benefits.

Effective January 1, 1996, the City enacted Ordinance No. 8474 which provides an additional monthly benefit increase by an amount equal to 5% of the amount of the monthly benefits being paid to such retirees as of July 1, 1995 for those retirees receiving benefits on or about April 1, 1987. Ordinance 8474 also provides a lump-sum retroactive payment equivalent to such monthly increase for the period from July 1, 1995 to December 31, 1995.

Annuities were purchased for all retired participants to provide uplift benefits.

Effective July 1, 1997, the City enacted Ordinance No. 8661 which provides an additional monthly benefit increase, in an amount equal to 5.5% of the amount of the monthly benefits being paid to such retirees as of July 1, 1997, for those retirees receiving benefits on or about April 1, 1987.

Annuities were purchased for all retired participants to provide uplift benefits.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Civilian Plan for Retirees of Previous Plan (continued)

During 2002, the City engaged a consulting actuary to perform a calculation as to the future benefit obligations of the segregated fund based upon the assumptions that current disability and group life insurance premiums and certain administrative expenses would continue for 25 or 50 years. The calculated reserve is as follows:

	<u>25 Years</u>	<u>50 Years</u>
Future benefit obligation	<u>\$1,631,000</u>	<u>\$2,429,000</u>

Actuarial assumptions used in the calculation are as follows:

Interest rate on invested assets:	6.5% per annum
Inflation rate:	3.5% per annum
Mortality rates:	1983 GAM
LTD benefit changes:	It was assumed that the annual maximum benefit will be increased by 3.5% per annum
Benefit payout period:	25 or 50 years
Discount rate:	6.5% per annum

At March 31, 2005, the fair value of assets available to fund future uplift payments and other benefits was \$3,739,629 and are included in the accompanying fiduciary fund financial statements.

Police Officers' and Firefighters' Pension Plan For Active Participants

The City maintains a defined contribution single employer Police Officers' and Firefighters' Pension Plan (PLAN) which covers all City commissioned police officers and salaried fire fighters. Participation in the PLAN occurs upon completion of 500 hours of service in a consecutive six-month period.

The PLAN is funded in accordance with City ordinances from taxes levied for such purpose and employee contributions. City contributions to participant accounts are established at an amount equal to the current social security rate for civilian employees, in addition to 5% of employee participant gross wages. Employee contributions are established at an amount equal to the current social security withholding percentages.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Police Officers' and Firefighters' Pension Plan For Active Participants (continued)

Vesting of employee contributions and initial account balances occurs immediately. Vesting of employer contributions occurs after five years of service. Retirement benefits are paid either as a lump-sum or as an annuity with optional surviving spouse benefits. The PLAN purchases annuities for retirees who choose the annuity form of retirement payment. These annuities are not included in the assets of the PLAN.

Participants may choose to have funds invested on their behalf in any one of the following, or any combination thereof, types of investments of mutual funds: Growth stock; conservative stock; international growth; asset allocation; bonds; stable asset; masterworks; small company stocks.

A summary of contributions and percentage of covered Plan payroll of the City is presented below for fiscal year 2005:

Contributions made and required:	
City contribution made (property taxes)	\$812,332
City contribution required	655,113
Employees' contribution made and required	348,458
Contribution required as a percent of covered payroll:	
City	11.2%
Employees	6.2%

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: City of Kirkwood, 139 South Kirkwood, Kirkwood, Missouri 63122.

Police Officers' and Firefighters' Pension Plan For Retirees of Previous Plan

Effective April 1, 1987, the City terminated its Policemen and Firemen Defined Benefit Retirement Plan (former plan) and established the defined contribution plan as described above. Annuities were purchased for all retired participants to provide benefits equal to the amount received under the terminated former plan. For active participants, initial contributions were made to the new defined contribution plan equaling an amount determined to be actuarially equivalent to the accrued benefits of the former plan. The remaining assets of the former plan were segregated in a separate fund and may be used for the following:



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Police Officers' and Firefighters' Pension Plan For Retirees of Previous Plan (continued)

- Disability insurance premiums;
- Group life insurance premiums;
- Discretionary uplift benefits to retirees; and
- Certain administrative expenses of the plan.

Effective April 1, 1988, the City enacted Ordinance No. 7788 which provides supplemental pension benefits to those retirees and terminated vested participants who had received annuity payments under the terminated former plan. Ordinance No. 8096 provided a 6% increase in benefits to a retiree effective October 1, 1991. The effects of these Ordinances were as follows:

1. Increased monthly benefits to retirees who were receiving benefits prior to December 31, 1977 to one-half the salary of a Kirkwood police officer at March 31, 1987.
2. Increased monthly benefits to retirees and terminated vested participants who retired under the former plan enacted in 1978 to reflect an additional rank accrual monthly benefit of \$38.50.

Effective June 30, 1995, the City enacted Ordinance No. 8431 which provides an additional monthly benefit increase in an amount equal to 6% of the amount of the monthly benefit being paid to such retirees as of June 30, 1995 for those retirees receiving benefits on or before April 1, 1987.

Effective July 1, 1997, the City enacted Ordinance No. 8661 which provides an additional monthly benefit increase, in an amount equal to 5.5% of the amount of the monthly benefits being paid to such retirees as of July 1, 1997, for those retirees receiving benefits on or before April 1, 1987.

Annuities were purchased for all retired participants to provide uplift benefits.

During 2002, the City engaged a consulting actuary to perform a calculation as to the future benefit obligations of the assumption that current disability and group life insurance premiums and certain administrative expenses would continue for 25 or 50 years. The calculated reserve was as follows:

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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5. EMPLOYEES' RETIREMENT SYSTEMS (continued)

Police Officers' and Firefighters' Pension Plan For Retirees of Previous Plan (continued)

	<u>25 Years</u>	<u>50 Years</u>
Future benefit obligation	<u>\$1,776 000</u>	<u>\$2,429,000</u>

Actuarial assumptions used in the calculation are as follows:

Interest rate on invested assets:	6.5% per annum
Inflation rate:	3.5% per annum
Mortality rates:	1983 GAM
LTD benefit changes:	It was assumed that the annual maximum benefit will be increased by 3.5% per annum
Benefit payout period:	25 or 50 years
Discount rate:	6.5% per annum

At March 31, 2005, the fair value of plan assets available to fund future uplift payments and other benefits was \$3,841,929 and are included in the accompanying fiduciary fund financial statements.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

6. LONG-TERM LIABILITIES

The following is a summary of changes in the City's long-term liabilities for the year ended March 31, 2005:

	<u>Original Issuance Amounts</u>	<u>Balance - April 1, 2004</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance - March 31, 2005</u>	<u>Current Portion</u>
<b>Governmental Activities</b>						
General Obligation Bonds:						
Series 1996 .....	\$ 3,000,000	\$ 560,000	\$ --	\$ 560,000	\$ --	\$ --
Series 1998A .....	2,000,000	435,000	--	435,000	--	--
Series 1998B Refunding .....	4,675,000	3,490,000	--	365,000	3,125,000	415,000
Series 2001 .....	6,750,000	6,260,000	--	260,000	6,000,000	275,000
PFA Leasehold Revenue Bonds:						
Series 2004 .....	10,245,000	10,245,000	--	515,000	9,730,000	600,000
Tax Increment Revenue Bonds and Notes:						
Series 1996A .....	1,050,000	765,000	--	75,000	690,000	--
Series 1996B .....	1,290,000	1,050,000	--	55,000	995,000	--
Series 1996C .....	240,000	240,000	--	--	240,000	--
Series 1998 .....	4,000,000	3,657,864	75,620	85,000	3,648,484	--
Series 2004 .....	13,785,000	13,785,000	--	1,220,000	12,565,000	--
Accrued compensated absences.....	--	269,300	274,376	269,300	274,376	274,376
	<u>\$47,035,000</u>	40,757,164	<u>\$349,996</u>	<u>\$ 3,839,300</u>	37,267,860	<u>\$1,564,376</u>
Add: Unamortized premium, net.....		141,457			121,249	
Less: Unamortized discount, net .....		(87,184)			(81,372)	
Deferred amount on refunding, net.....		<u>(675,762)</u>			<u>(625,143)</u>	
Total Governmental Activities .....		<u>\$40,135,675</u>			<u>\$ 36,682,594</u>	
<b>Business-Type Activities</b>						
General Obligation Bonds:						
Series 1994 .....	\$ 1,500,000	\$ 75,000	\$ --	\$ 50,000	\$ 25,000	\$ 25,000
Accrued compensated absences.....	--	50,746	69,495	50,746	69,495	69,495
Total Business-Type Activities .....	<u>\$ 1,500,000</u>	<u>\$ 125,746</u>	<u>\$ 69,495</u>	<u>\$ 100,746</u>	<u>\$ 94,495</u>	<u>\$ 94,495</u>



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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6. LONG-TERM LIABILITIES (continued)

General Obligation Bonds

General obligation bonds are obligations of the City, and the full faith credit, and resources of the City have been pledged to the payment of principal of and interest on the bonds and payable are comprised of the following issues:

In October 1994, the City issued \$1,500,000 General Obligation Bonds for the purpose of financing the renovation of an existing electric substation in the City including acquiring and installing a transformer, tower, utility poles, and related machinery and equipment. The bonds have interest rates ranging from 3.75% to 5.5% and are payable in varying amounts through 2006. The principal and interest on bonds are expected to be paid from future revenues of the Electric enterprise fund. As such, the related debt has been recorded as a fund liability in the Electric enterprise fund.

In 1996, the City issued \$3,000,000 General Obligation Bonds (Series 1996) for the purpose of constructing, extending, repairing, and improving streets, roads, curbs, sidewalks and bridges in the City. Proceeds from the Series 1996 bonds were \$2,982,000, net of \$18,000 in bond discount. The Series 1996 bonds represent the first in a series of \$8,000,000 million general obligation bonds authorized in August 1996. The bonds have interest rates ranging from 4.4% to 4.9% and are payable in varying amounts through 2005. The principal and interest on bonds are expected to be paid from property taxes which may be imposed on all taxable tangible personal property within the City without limitation or amount. As such, the related debt has been reported in the government-wide statement of net assets.

In April 1998, the City issued \$2,000,000 General Obligation Bonds (Series 1998) for the purpose of constructing, extending, repairing, and improving streets, roads, curbs, sidewalks and bridges in the City. The bonds have interest rates ranging from 3.90% to 4.20% and are payable in varying amounts through 2005. The principal and interest on bonds are expected to be paid from property taxes which may be imposed on all taxable tangible personal property within the City without limitation or amount. As such, the related debt has been reported in the government-wide statement of net assets.

In April 1998, the City issued \$4,700,000 in General Obligation Refunding Bonds (Series 1998). The bonds were issued to advance refund \$4,700,000 of outstanding 1991 Series Bonds with varying interest rates. The bonds have interest rate ranging from 4.38% to 6.45% and are payable in varying amounts through 2011. The net proceeds of \$4,600,000 (after payment of underwriting fees and other issuance costs) plus additional funds of \$103,100 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1991 Series bonds. As a result, the 1991 Series bonds are considered defeased and the liability for those bonds has been removed from the City's financial statements. In March 2001, these outstanding bonds considered defeased were called and paid in full.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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6. LONG-TERM LIABILITIES (continued)

General Obligation Bonds (continued)

In January 2001, the City issued \$6,750,000 in General Obligation Bonds (Series 2001) with varying interest rates from 3.5% to 4.88% payable in varying amounts through 2020. The bonds were issued for the purpose of acquiring firefighting apparatus and equipment, constructing, furnishing and equipping fire houses, and acquiring any land necessary for the project. The principal and interest on bonds are expected to be paid from property taxes which may be imposed on all taxable tangible personal property within the City without limitation or amount. As such, the related debt has been reported in the government-wide statement of net assets.

Public Facilities Authority (PFA) Leasehold Revenue Bonds Payable

On May 22, 1992, the PFA was formed as a Missouri not-for-profit corporation. The purpose of the PFA is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of Kirkwood, Missouri. Funding of such capital improvements and facilities has been provided through the issuance of leasehold revenue bonds. The leasehold 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 leasehold 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 PFA has no taxing power. The activities and accounts of the PFA have been blended into the City's recreation/facilities fund.

In March 2004, the City issued \$10,245,000 in Leasehold Revenue Refunding Bonds (Series 2004) for the purpose of providing funds to redeem in full the City's outstanding principal amount of \$9,720,000 on its 1998 PFA Leasehold Revenue Bonds. The bonds mature on September 1, 2018 and bear interest at varying rates from 0.95% to 3.65%. The City refunded the 1998 Series bonds to reduce its total debt service payments over the next fourteen years by \$757,755 and to obtain an economic gain (difference between the present values of the new debt service payments on the old and new debt) of \$606,055.



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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6. LONG-TERM LIABILITIES (continued)

Principal and Interest Requirements on Long-Term Debt

The annual principal and interest requirements to maturity on long-term debt outstanding (other than tax increment financing bonds) as of March 31, 2005 are as follows:

Governmental Activities

<u>Year ending March 31,</u>	<u>General Obligation Bonds Payable/ Leasehold Revenue Bonds Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006 .....	\$ 1,290,000	\$ 679,200	\$ 1,969,200
2007 .....	1,360,000	635,479	1,995,479
2008 .....	1,405,000	586,788	1,991,788
2009 .....	1,500,000	543,131	2,043,131
2010 .....	1,570,000	492,928	2,062,928
2011 - 2015 .....	6,005,000	1,727,793	7,732,793
2016 - 2020 .....	<u>5,725,000</u>	<u>614,013</u>	<u>6,339,013</u>
	<u>\$18,855,000</u>	<u>\$ 5,279,332</u>	<u>\$24,134,332</u>

Business-Type Activities

<u>Year ending March 31,</u>	<u>Leasehold Revenue and General Obligation Bonds Payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006 .....	<u>\$ 25,000</u>	<u>\$ 1,375</u>	<u>\$ 26,375</u>



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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6. LONG-TERM LIABILITIES (continued)

Tax Increment Financing (TIF) Bonds and Notes Payable

All tax increment financing bonds and notes payable are payable from payments in lieu of taxes and economic activity taxes collected by the TIF District special revenue funds and are comprised of the following individual issues:

During fiscal year 1997, the City issued \$2,580,000 Tax Increment Revenue Bonds (Bonds). The bonds have an interest rate of 7.5% with final maturity on March 1, 2015 and are payable through 2016. The purpose of the 1996 Series Bonds are to finance the cost of the Pioneer Place redevelopment project. The principal and interest on these Bonds will be repaid from two Special Allocation Accounts: the "PILOTS" account which consists of payments in lieu of taxes attributable to the increase in assessed valuation of the existing building on the Pioneer Place site and the "EATS" account which consists of 50% of the additional revenue from taxes imposed by the City and other taxing districts which are generated by activity in the Pioneer Place. Since annual repayment amounts will be determined based upon future revenues, a schedule of debt service requirements to maturity cannot be established.

The 1998 Public Improvement Revenue notes represent special, limited obligations of the City, payable solely from the incremental sales and real estate taxes generated by the Kirkwood Commons redevelopment project. The notes bear interest at 8.5% with final maturity on November 30, 2017. The annual debt service repayments of the TIF notes are contingent upon the amounts of payments in lieu of taxes collected by the special revenue fund. If funds are not available to pay all of the interest that is due, the amount unpaid is added to the principal balance.

On March 5, 2004, the City issued \$13,785,000 in Tax Increment Refunding and Improvement Revenue Bonds, for the purpose of providing funds to redeem in full the City's 2000 Tax Increment Refunding and Improvement Revenue Bonds, fund a debt service reserve for the Bonds, finance certain redevelopment projects and pay costs of issuance of the Bonds. The bonds mature on October 1, 2017. The annual debt service repayments of the TIF bonds are contingent upon the amounts of payments in lieu of taxes collected by the special revenue fund. The City refunded the 2000 Series bonds to reduce its total debt service payments over the next fourteen years by \$820,449 and to obtain an economic gain (difference between the present values of the new debt service payments on the old and new debt) of \$668,749.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS

MARCH 31, 2005

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6. LONG-TERM LIABILITIES (continued)

Tax Increment Financing (TIF) Bonds and Notes Payable (continued)

In order to protect against the potential of rising interest rates, the City entered into an interest rate cap agreement with respect to its variable rate Demand Tax Increment Refunding Revenue Bonds Series 2004. The interest rate cap is set at 5.6% and is based on the BMA Municipal Swap Index. The City will receive payments based on the product of the amount by which the rate on the BMA Municipal Swap Index exceeds the cap rate of 5.6% and the rate cap agreement's notional amount. The City paid an initial premium of \$45,000 to enter into the agreement, which became effective on March 5, 2004 and terminates on October 1, 2008. The fair value of the instrument was determined to be \$12,535 at March 31, 2005. There is no associated debt involved with the agreement as the City is not required to make any additional payments. The City has no interest rate risk as increases of the floating rate above 5.6% increases the City's monthly receipt. The rate cap agreement does not require the City to remit any funds if the BMA Municipal Swap Index rate falls below 5.6%. The City is susceptible to basis risk as the variable rate debt does not float in line with the BMA Municipal Swap Index. There is no termination risk associated with the agreement as it does not provide for early termination by either party. The terms of the agreement are subject to rollover risk as the notional amount of the debt amortizes through 2008, whereas, the underlying debt amortizes through 2018. There is no market-access risk associated with the agreement as there is no evidence that a future refinancing is necessary to experience the benefits of the rate cap agreement.

Legal Debt Margin

Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation. The computation is as follows:

Assessed valuation - 2004 tax year.....		<u>\$530,918,156</u>
Debt limit - 10% of assessed valuation .....		\$ 53,091,816
Amount of debt applicable to debt limit:		
Total general obligation bonded debt.....	\$ 9,125,000	
Less: Amount available in debt service fund.....	<u>( 2,108,407)</u>	
Bonded indebtedness applicable to debt limit.....		<u>7,016,593</u>
Legal Debt Margin.....		<u>\$ 46,075,223</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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7. RESTRICTED CASH AND INVESTMENTS

The following trustee held accounts have been established in accordance with the Bond ordinances requirement that receipts generated from operations be segregated and the 2004 Tax Increment Refunding and Improvement Revenue Bonds and the related trust Indenture:

Revenue Fund

The Revenue Fund will be used for the purpose of providing monies to the trustee for payments in accordance with the trust Indenture. At March 31, 2005, cash and investment in the Revenue Fund total \$309,433 in the Kirkwood Commons TIF Special Revenue Fund.

Debt Service Fund

The Debt Service Fund consists of the accrued interest and premium received from the sale of bonds. All amounts credited to and deposited in the Debt Service Fund shall be used by the Trustee for the sole purpose of paying the principal of and interest on the bonds, as and when the same become due. At March 31, 2005, cash and investments in the Debt Service Fund total \$2,350,744 in the Kirkwood Commons TIF Special Revenue Fund.

Debt Service Reserve Fund

Monies in the Debt Service Reserve Fund shall be disbursed and expended by the Trustee solely for the payment of the principal of and interest on the bonds to the extent of any deficiency in the Debt Service Fund for such purpose. The Trustee may disburse and expend monies from the Debt Service Reserve Fund for such purpose whether or not the amount in the Debt Service Reserve Fund at that time equals the Debt Service Reserve requirement. The amount on deposit in the Debt Service Reserve Fund shall be valued by the Trustee 45 days prior to each interest payment and the Trustee shall give immediate written notice to the City if such amount is less than the Debt Service Reserve requirement. If the value so determined exceeds the Debt Service Reserve requirement, the excess shall be promptly transferred to the Revenue Fund. At March 31, 2005, cash and investments in the Debt Service Reserve Fund total \$695,859 in the Kirkwood Commons TIF Special Revenue Fund. Such amounts were sufficient to meet the reserve requirement.



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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7. RESTRICTED CASH AND INVESTMENTS (continued)

Project Fund

The Project Fund will be used for the purpose of providing monies to pay project costs. Proceeds received from the sale of the bonds, after deposit into the Debt Service Fund of the accrued interest and premium, if any, and deposit into the Debt Service Reserve Fund of the amount requirement pursuant to the bond indenture, shall be deposited into the Project Fund. At March 31, 2005, cash and investment in the Project Fund total \$530,120 in the Kirkwood Commons Capital Projects Fund.

Rebate Fund

The bond indenture provides for creation of a Rebate Fund into which shall be deposited such amounts as are required to be deposited therein pursuant to the Arbitrage Instructions regarding the calculation and payment of rebate amounts due. The City does not have any rights in or claims to such money; provided, however, any funds remaining in the Rebate Fund after redemption and payment of all bonds and payment of any rebatable arbitrage amount, or provision having been made therefore, shall be remitted to the City. No monies have been deposited into this account at March 31, 2005.

8. RECONCILIATION OF INTERFUND TRANSACTIONS

The following represents a reconciliation of operating transfers between individual funds for the year ended March 31, 2005:

<u>Transfer To</u>	<u>Transfers From</u>					<u>Total</u>
	<u>Recreation/ Facilities</u>	<u>Electric</u>	<u>Water</u>	<u>Sanitation</u>	<u>Medical Self Insurance</u>	
General.....	\$ 340,000	\$1,380,000	\$ 350,000	\$ --	\$ 87,400	\$2,157,400
Park Board.....	320,000	--	--	--	--	320,000
Capital						
Improvements .....	--	--	--	65,000	--	65,000
Fire Improvements...	--	312,718	--	--	--	312,718
Total.....	<u>\$ 660,000</u>	<u>\$1,692,718</u>	<u>\$ 350,000</u>	<u>\$ 65,000</u>	<u>\$ 87,400</u>	<u>\$2,855,118</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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8. RECONCILIATION OF INTERFUND TRANSACTIONS (continued)

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute of budget requires to expend them primarily for operating or capital purposes.

Individual fund interfund receivable and payable balances as of March 31, 2005, are as follows:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Enterprise:		General	\$ 8,657
Electric	\$600,000	Special Revenue:	
Pension Trust:		Park	1,039
Civilian	<u>17,705</u>	Sewer Lateral	200,000
		Enterprise:	
		Electric	3,237
		Water	2,233
		Sanitation	401,823
		Fleet Service	583
		Workers' Compensation	114
		Police and Fire Pension	<u>19</u>
	<u>\$617,705</u>		<u>\$617,705</u>

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

9. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City utilizes self-insurance internal service funds to account for and finance its uninsured risk of loss. The following types of insurance are provided by the self-insurance internal service funds: Workers' compensation and medical and hospitalization benefits to City employees. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims relating to these matters is recorded in the internal service funds.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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9. RISK MANAGEMENT (continued)

All funds of the City participate in the program and make payments to the self-insurance internal service fund based on both exposure and experience factors. Premiums include amounts needed to pay prior and current-year claims. Claim liabilities are established based on estimates of the ultimate costs of claims (including future expenses) that have been reported but not settled and of claims incurred and not reported.

At March 31, 2005, the City's total estimated liability for payment of incurred (both reported and unreported) but unpaid claims for self-insured employee benefit programs was \$1,174,353 and is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statement indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated.

Changes in the internal service fund claims liability for the past two years are as follows:

<u>Fiscal Year Ended March 31,</u>	<u>Liability - Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability - End of Year</u>
2004	\$702,682	\$1,921,551	\$1,865,181	\$ 759,052
2005	\$759,052	\$2,708,188	\$2,292,887	\$1,174,353

The City obtains periodic funding valuations from the claims-servicing companies managing the self-insurance programs and adjusts the charges to the various funds as required to maintain the appropriate level of estimated claims liability.

Effective July 1, 2005, the City has terminated their medical and hospitalization self-insurance and has instead elected to obtain comparable coverage through Blue Cross/Blue Shield. The City is required to make a one-time payment of \$741,125 as a terminal payment obligation under the self-insurance plan.

The City purchases commercial insurance for other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.



CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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10. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in a number of lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of all 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.

Major Supplier

The City has an agreement with a local utility company to be the City's sole provider of its electricity for resale. The agreement has fixed rates for each calendar year, with the contract expiring December 31, 2008. There are no minimum or maximum purchase commitments under the agreement.

11. PRIOR PERIOD ADJUSTMENTS

Beginning fund balances and beginning net assets were adjusted as follows:

Fund Financial Statements - Governmental Funds:

	<u>Capital Improvements</u>	<u>Recreation/ Facilities</u>	<u>Equitable Sharing</u>	<u>Fire Improvements</u>	<u>Debt Service</u>
To reclassify payments on 1996A debt to intended fund ...	\$ (902,386)	\$ --	\$ --	\$ --	\$ 902,386
To adjust for errors in accounts payable.....	--	50,167	8,593	16,395	--
Total.....	<u>\$ (902,386)</u>	<u>\$ 50,167</u>	<u>\$ 8,593</u>	<u>\$ 16,395</u>	<u>\$ 902,386</u>

CITY OF KIRKWOOD, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS  
MARCH 31, 2005

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11. PRIOR PERIOD ADJUSTMENTS (continued)

Fund Financial Statements - Enterprise Funds:

	<u>Electric</u>	<u>Water</u>	<u>Sanitation</u>
To correct for funds from electric to sanitation originally classified as a transfer .....	\$600,000	\$ - -	\$(600,000)
To correct beginning capital asset balances .....	<u>7,678</u>	<u>(3,692)</u>	<u>(14,596)</u>
Total .....	<u>\$607,678</u>	<u>\$ (3,692)</u>	<u>\$(614,596)</u>

Government-Wide Financial Statements -  
Governmental Activities:

Net assets, as originally reported .....	\$22,065,056
To correct beginning capital asset balances .....	588,288
Adjustments to governmental funds (net) .....	<u>75,155</u>
Net Assets, Beginning of Year, Restated .....	<u>\$22,728,499</u>

Government-Wide Financial Statements -  
Business type activities:

Net assets, as originally reported .....	\$33,181,943
To correct beginning capital asset balances .....	<u>(10,611)</u>
Net Assets, Beginning of Year, Restated .....	<u>\$33,171,332</u>

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**Required Supplementary Information -  
Budgetary Comparison Information**

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CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Taxes, including interest and penalties:				
Gasoline/motor vehicle sales.....	\$ 1,090,000	\$ 1,090,000	\$ 1,141,847	\$ 51,847
Utility gross receipts.....	2,974,000	2,974,000	3,258,979	284,979
Sales.....	4,060,250	4,060,250	4,082,578	22,328
Cigarette.....	106,000	106,000	98,813	(7,187)
Highway road and bridge.....	450,000	450,000	536,605	86,605
Franchise.....	175,000	175,000	231,456	56,456
Total Taxes.....	8,855,250	8,855,250	9,350,278	495,028
Intergovernmental.....	205,000	211,251	269,545	58,294
Licenses, Permits, Fines and Fees:				
Motor vehicle licenses and fees.....	127,000	127,000	132,274	5,274
Business licenses.....	488,500	488,500	527,998	39,498
Alcoholic beverage licenses.....	21,000	21,000	24,718	3,718
Building and plumbing permits.....	501,400	501,400	671,156	169,756
Excavation and sign permits.....	31,000	31,000	54,774	23,774
Fines and court costs.....	400,000	400,000	372,784	(27,216)
Miscellaneous fees.....	44,000	44,000	93,469	49,469
Total Licenses, Permits, Fines and Fees.....	1,612,900	1,612,900	1,877,173	264,273
Investment income (loss).....	30,000	30,000	(22,049)	(52,049)
Charges For Services:				
Skating rink.....	550,600	550,600	565,692	15,092
Aquatic facility.....	454,100	454,100	351,464	(102,636)
Ambulance fees.....	450,000	450,000	533,256	83,256
Program fees.....	374,750	374,750	408,403	33,653
Total Charges For Services.....	1,829,450	1,829,450	1,858,815	29,365
Other .....	549,574	561,085	630,554	69,469
Total Revenues.....	\$ 13,082,174	\$ 13,099,936	\$ 13,964,316	\$ 864,380



CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
General Government and Finance:				
Personnel services.....	\$ 1,311,986	\$ 1,344,647	\$ 1,282,004	\$ 62,643
Contractual services.....	1,044,234	1,147,589	1,004,374	143,215
Commodities.....	488,207	260,680	72,046	188,634
Capital outlay.....	13,700	394,376	388,113	6,263
Interdepartmental charges, net.....	252,984	254,484	250,581	3,903
Total General Government and Finance.....	<u>3,111,111</u>	<u>3,401,776</u>	<u>2,997,118</u>	<u>404,658</u>
Purchasing:				
Personnel services.....	201,109	212,833	201,153	11,680
Contractual services.....	20,259	19,819	19,352	467
Commodities.....	4,105	4,581	11,371	(6,790)
Capital outlay.....	450	1,052	1,051	1
Interdepartmental charges, net.....	1,208	1,213	1,210	3
Total Purchasing.....	<u>227,131</u>	<u>239,498</u>	<u>234,137</u>	<u>5,361</u>
Engineering:				
Personnel services.....	381,080	397,445	393,966	3,479
Contractual services.....	38,280	38,366	30,226	8,140
Commodities.....	8,325	8,425	7,264	1,161
Capital outlay.....	1,300	974	934	40
Interdepartmental charges, net.....	7,935	7,935	7,668	267
Total Engineering.....	<u>436,920</u>	<u>453,145</u>	<u>440,058</u>	<u>13,087</u>
Building Maintenance:				
Personnel services.....	166,303	179,141	175,873	3,268
Contractual services.....	102,384	102,875	92,859	10,016
Commodities.....	25,650	24,708	17,093	7,615
Capital outlay.....	1,000	1,000	581	419
Interdepartmental charges, net.....	4,600	4,600	3,846	754
Total Building Maintenance.....	<u>\$ 299,937</u>	<u>\$ 312,324</u>	<u>\$ 290,252</u>	<u>\$ 22,072</u>

See accompanying independent auditors' report and  
notes to budgetary comparison information

CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND (CONTINUED)  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
EXPENDITURES (CONTINUED)				
Current (continued):				
Building Commissioner:				
Personnel services.....	\$ 507,262	\$ 523,678	\$ 520,721	\$ 2,957
Contractual services.....	55,409	73,259	68,599	4,660
Commodities.....	10,680	10,186	9,879	307
Capital outlay.....	500	97	-	97
Interdepartmental charges, net.....	6,511	6,730	6,730	-
Total Building Commissioner.....	580,362	613,950	605,929	8,021
Police:				
Personnel services.....	4,091,688	3,987,947	3,831,951	155,996
Contractual services.....	462,680	455,835	445,743	10,092
Commodities.....	62,379	91,457	74,749	16,708
Capital outlay.....	2,450	4,100	2,514	1,586
Interdepartmental charges, net.....	219,611	218,172	213,830	4,342
Total Police.....	4,838,808	4,757,511	4,568,787	188,724
Fire:				
Personnel services.....	3,011,033	3,110,903	3,177,466	(66,563)
Contractual services.....	295,246	293,583	286,756	6,827
Commodities.....	73,925	63,251	60,302	2,949
Capital outlay.....	-	5,011	5,011	-
Interdepartmental charges, net.....	128,451	135,299	134,684	615
Total Fire.....	3,508,655	3,608,047	3,664,219	(56,172)
Streets:				
Personnel services.....	986,003	977,566	815,603	161,963
Contractual services.....	213,871	206,751	203,233	3,518
Commodities.....	209,000	213,415	212,329	1,086
Capital outlay.....	15,000	20,000	19,631	369
Interdepartmental charges, net.....	333,307	340,303	334,527	5,776
Total Streets.....	\$ 1,757,181	\$ 1,758,035	\$ 1,585,323	\$ 172,712



CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
EXPENDITURES (CONTINUED)				
Current (continued):				
Recreation:				
Personnel services.....	\$ 790,941	\$ 806,376	\$ 786,267	\$ 20,109
Contractual services.....	585,685	578,993	515,479	63,514
Commodities.....	110,100	114,719	102,660	12,059
Capital outlay.....	-	-	-	-
Interdepartmental charges, net.....	169,466	167,169	155,651	11,518
Total Recreation.....	<u>1,656,192</u>	<u>1,667,257</u>	<u>1,560,057</u>	<u>107,200</u>
 Total Expenditures.....	 <u>16,416,297</u>	 <u>16,811,543</u>	 <u>15,945,880</u>	 <u>865,663</u>
 EXCESS REVENUES OVER				
(UNDER) EXPENDITURES.....	<u>(3,334,123)</u>	<u>(3,711,607)</u>	<u>(1,981,564)</u>	<u>1,730,043</u>
 OTHER FINANCING SOURCES:				
Transfers in.....	<u>3,127,400</u>	<u>3,127,400</u>	<u>2,157,400</u>	<u>(970,000)</u>
 NET CHANGE IN FUND BALANCE.....	 (206,723)	 (584,207)	 175,836	 760,043
 FUND BALANCE, BEGINNING OF YEAR.....	 <u>2,586,728</u>	 <u>2,586,728</u>	 <u>2,586,728</u>	 <u>-</u>
 FUND BALANCE, END OF YEAR.....	 <u>\$ 2,380,005</u>	 <u>\$ 2,002,521</u>	 <u>\$ 2,762,564</u>	 <u>\$ 760,043</u>

See accompanying independent auditors' report and  
notes to budgetary comparison information



CITY OF KIRKWOOD, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - PUBLIC PARK FUND  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Property taxes, including interest and penalties.....	\$ 630,000	\$ 630,000	\$ 702,013	\$ 72,013
Grants.....	-	-	40,850	40,850
Licenses, permits, fines and fees.....	36,200	36,200	33,358	(2,842)
Investment income (loss).....	16,000	16,000	(5,368)	(21,368)
Other.....	-	-	26	26
Total Revenues.....	682,200	682,200	770,879	88,679
EXPENDITURES:				
Current:				
Parks.....	862,090	915,761	898,517	17,244
Capital outlay.....	55,000	179,150	151,778	27,372
Total Expenditures.....	917,090	1,094,911	1,050,295	44,616
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	(234,890)	(412,711)	(279,416)	133,295
OTHER FINANCING SOURCES:				
Transfers in.....	320,000	320,000	320,000	-
Proceeds from sale of capital assets.....	-	-	10,475	10,475
Total Other Financing Sources.....	320,000	320,000	330,475	10,475
NET CHANGE IN FUND BALANCES.....	85,110	(92,711)	51,059	143,770
FUND BALANCE, BEGINNING OF YEAR.....	1,117,728	1,117,728	1,117,728	-
FUND BALANCE, END OF YEAR.....	\$ 1,202,838	\$ 1,025,017	\$ 1,168,787	\$ 143,770

See accompanying independent auditors' report and  
notes to budgetary comparison information

CITY OF KIRKWOOD, MISSOURI

NOTES TO BUDGETARY COMPARISON INFORMATION  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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1. BUDGETARY DATA

Missouri state law and City ordinances require annual budgets to be prepared and legally adopted for the general fund; Public Park Board, Downtown Special Business District Equitable Sharing and Sewer Lateral special revenue funds; debt service fund and capital projects funds. Budgets are prepared by the Director of Finance on a basis which is consistent with generally accepted accounting principles. The budgets are reviewed by a Citizens' Finance Committee, and are discussed in public hearings prior to their legal adoption by April 1 each year. The City Council may revise the approved budget provided that the total authorized expenditures do not exceed the estimated revenues plus unreserved fund balance at the beginning of the year. The budget is legally enacted by ordinance following public hearings on the proposed budget. The Public Park Board is the only City agency that adopts its own budget.

Following adoption of the budget, the Chief Administrative Officer may transfer appropriations between departments provided that total appropriations do not exceed the authorized amount established by ordinance. City policy requires all budget amendments or transfers of \$10,000 or more to be approved by ordinance. All appropriations lapse at year end.

Due to the management controls adopted, which provide for the budget to be controlled at a detail level greater than the statutory level of control the legal level of budgetary control for all governmental funds except the Public Park Board is established at the sub object level. Compliance with the legal level of budgetary control is demonstrated through the issuance of a separate report, which is available for inspection at the Finance Department. Budgetary comparisons presented herein are on a basis consistent with GAAP.

CITY OF KIRKWOOD, MISSOURI

NOTES TO BUDGETARY COMPARISON INFORMATION  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

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2. LEGAL COMPLIANCE - BUDGETS

The following is a listing of expenditures at the legal level control which exceeded budget appropriations:

	<u>Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
<b>General Fund:</b>			
General Governmental and Finance			
Commodities			
Purchased professional services.....	\$ 1,050	\$ 1,072	\$ 22
Purchasing			
Commodities			
Inventory adjustments.....	555	7,553	6,998
Fire			
Personnel Services			
Salary.....	2,315,597	2,388,034	72,437
Recreation			
Commodities			
Repairs and maintenance.....	5,537	6,493	956
<b>Public Park Fund:</b>			
Current			
Operating supplies.....	1,700	1,978	278
<b>Equitable Sharing Fund:</b>			
General Governmental and Finance			
Operating supplies.....	12,907	12,942	35
<b>Sewer Lateral Fund:</b>			
General Governmental and Finance			
Other professional services.....	244,500	255,065	10,565
<b>Fire Improvements Fund:</b>			
Principal, interest and fiscal charges			
Principal .....	970,000	995,000	25,000
Capital Outlay			
Land.....	-	10,738	10,738
<b>Recreation/Facilities:</b>			
Principal, interest and fiscal charges			
Bond issuance costs.....	-	12,000	12,000
Refund escrow agent.....	-	847	847

The over expenditures were financed by revenues which exceeded the budgeted amounts.



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**Other Supplementary Information**

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**Combining and Individual Fund  
Financial Statements and Schedules**

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CITY OF KIRKWOOD, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
MARCH 31, 2005

	Combined Nonmajor Special Revenue Funds	Combined Nonmajor Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS:</b>				
Cash held by trustees.....	\$ 311,223	\$ 530,120	\$ -	\$ 841,343
Cash and investments - restricted.....	50,000	-	-	50,000
Cash and investments - unrestricted.....	467,129	535,090	2,083,147	3,085,366
Receivables, net of allowances:				
Taxes.....	8,612	-	63,827	72,439
Interest.....	3,016	3,981	6,921	13,918
Other.....	4,539	-	-	4,539
<b>TOTAL ASSETS.....</b>	<b>\$ 844,519</b>	<b>\$ 1,069,191</b>	<b>\$ 2,153,895</b>	<b>\$ 4,067,605</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable.....	\$ 13,218	\$ 71,493	\$ 265	\$ 84,976
Accrued wages and vacation.....	3,062	-	-	3,062
Due to other funds.....	200,000	-	-	200,000
Deposits payable.....	32,145	-	-	32,145
Deferred revenue.....	4,312	-	45,223	49,535
<b>Total Liabilities.....</b>	<b>252,737</b>	<b>71,493</b>	<b>45,488</b>	<b>369,718</b>
<b>FUND BALANCES:</b>				
Reserved for drug law enforcement expenditures.....	155,705	-	-	155,705
Reserved for capital projects.....	1,682	997,698	-	999,380
Reserved for debt service.....	-	-	2,108,407	2,108,407
Unreserved - designated for donated purposes.....	50,000	-	-	50,000
Unreserved - undesignated.....	384,395	-	-	384,395
<b>Total Fund Balances.....</b>	<b>591,782</b>	<b>997,698</b>	<b>2,108,407</b>	<b>3,697,887</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 844,519</b>	<b>\$ 1,069,191</b>	<b>\$ 2,153,895</b>	<b>\$ 4,067,605</b>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Combined Nonmajor Special Revenue Funds	Combined Nonmajor Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES:				
Taxes, including interest and penalties.....	\$ 432,369	\$ -	\$ 1,440,228	\$ 1,872,597
Licenses, permits, fines and fees.....	508,820	-	-	508,820
Investment income (loss).....	(4,550)	12,834	(4,520)	3,764
Contributions.....	-	-	-	-
Other.....	2,520	39	-	2,559
Total Revenues.....	939,159	12,873	1,435,708	2,387,740
EXPENDITURES:				
General government and finance.....	547,387	143,542	-	690,929
Capital outlay.....	15,279	2,266,533	-	2,281,812
Debt service:				
Principal retirement.....	130,000	-	625,000	755,000
Interest and fiscal charges.....	204,697	-	459,061	663,758
Total Expenditures.....	897,363	2,410,075	1,084,061	4,391,499
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	41,796	(2,397,202)	351,647	(2,003,759)
OTHER FINANCING SOURCES:				
Transfer from Electric.....	-	312,718	-	312,718
NET CHANGE IN FUND BALANCES.....	41,796	(2,084,484)	351,647	(1,691,041)
FUND BALANCES, BEGINNING OF YEAR.....	541,393	3,065,787	854,374	4,461,554
PRIOR PERIOD ADJUSTMENT.....	8,593	16,395	902,386	927,374
FUND BALANCES, END OF YEAR.....	<u>\$ 591,782</u>	<u>\$ 997,698</u>	<u>\$ 2,108,407</u>	<u>\$ 3,697,887</u>

See accompanying independent auditors' report

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## **NON-MAJOR 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. The special revenue funds maintained by the City are as follows:

Downtown Special Business District - Used to account for property taxes and business license fees set aside for the economic development of the special business district.

Equitable Sharing - Used to account for proceeds from the City's portion of seized assets as required by the United States Attorney General's Guidelines on Seized and Forfeited Property.

Sewer Lateral - Used to account for the sewer lateral insurance fees restricted specifically for repairs of broken single-family and condominium residential sewer laterals.

Pioneer Place TIF - Used to account for activities of the City's Pioneer Place tax increment financing district.

Quinnette Cemetery - Used for the upkeep and maintenance of Quinnette Cemetery.



CITY OF KIRKWOOD, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
MARCH 31, 2005

	Downtown Special Business District	Equitable Sharing	Sewer Lateral	Pioneer Place TIF	Quinnette Cemetery	Total
<b>ASSETS:</b>						
Cash held by trustees.....	\$ -	\$ -	\$ -	\$311,223	\$ -	\$311,223
Cash and investments - restricted.....	-	-	-	-	50,000	50,000
Cash and investments - unrestricted.....	90,014	155,143	218,682	1,916	1,374	467,129
Receivables, net of allowances:						
Taxes.....	6,602	-	-	2,010	-	8,612
Interest.....	523	811	1,374	-	308	3,016
Other.....	1,046	-	3,493	-	-	4,539
<b>TOTAL ASSETS.....</b>	<b>\$ 98,185</b>	<b>\$155,954</b>	<b>\$223,549</b>	<b>\$315,149</b>	<b>\$ 51,682</b>	<b>\$844,519</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>LIABILITIES:</b>						
Accounts payable.....	\$ 9,034	\$ 249	\$ 3,935	\$ -	\$ -	\$ 13,218
Accrued wages and vacation.....	3,062	-	-	-	-	3,062
Due to other funds.....	-	-	200,000	-	-	200,000
Deposits payable.....	-	-	32,145	-	-	32,145
Deferred revenue.....	4,312	-	-	-	-	4,312
<b>Total Liabilities.....</b>	<b>16,408</b>	<b>249</b>	<b>236,080</b>	<b>-</b>	<b>-</b>	<b>252,737</b>
<b>FUND BALANCES:</b>						
Reserved for drug law enforcement expenditures.....	-	155,705	-	-	-	155,705
Reserved for capital projects.....	-	-	-	-	1,682	1,682
Unreserved - designated for donated purposes.....	-	-	-	-	50,000	50,000
Unreserved - undesignated.....	81,777	-	(12,531)	315,149	-	384,395
<b>Total Fund Balances.....</b>	<b>81,777</b>	<b>155,705</b>	<b>(12,531)</b>	<b>315,149</b>	<b>51,682</b>	<b>591,782</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 98,185</b>	<b>\$155,954</b>	<b>\$223,549</b>	<b>\$315,149</b>	<b>\$ 51,682</b>	<b>\$844,519</b>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Downtown Special Business District	Equitable Sharing	Sewer Lateral	Pioneer Place TIF	Quinnette Cemetery	Total
REVENUES:						
Taxes, including interest and penalties.....	\$ 97,676	\$ -	\$ -	\$334,693	\$ -	\$ 432,369
Licenses, permits, fines and fees.....	143,725	78,614	286,481	-	-	508,820
Investment income (loss).....	(2,196)	(426)	(2,375)	576	(129)	(4,550)
Contributions.....	-	-	-	-	-	-
Other.....	2,520	-	-	-	-	2,520
Total Revenues.....	241,725	78,188	284,106	335,269	(129)	939,159
EXPENDITURES:						
General government and finance.....	248,148	14,741	284,498	-	-	547,387
Capital outlay.....	15,279	-	-	-	-	15,279
Debt service:						
Principal retirement.....	-	-	-	130,000	-	130,000
Interest and fiscal charges.....	-	-	-	204,697	-	204,697
Total Expenditures.....	263,427	14,741	284,498	334,697	-	897,363
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	(21,702)	63,447	(392)	572	(129)	41,796
FUND BALANCES, BEGINNING OF YEAR.....	103,479	83,665	(12,139)	314,577	51,811	541,393
PRIOR PERIOD ADJUSTMENT.....	-	8,593	-	-	-	8,593
FUND BALANCES, END OF YEAR.....	<u>\$ 81,777</u>	<u>\$155,705</u>	<u>\$ (12,531)</u>	<u>\$315,149</u>	<u>\$ 51,682</u>	<u>\$ 591,782</u>

See accompanying independent auditors' report

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## **NON-MAJOR GOVERNMENTAL FUNDS CAPITAL PROJECTS FUNDS**

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Capital projects funds are used to account for financial resources to be used for acquisition or construction of major capital facilities other than those financed by proprietary fund types. The following capital projects funds are maintained by the City:

Kirkwood Commons Meacham Park - This fund is used to account for public improvement funds to be utilized exclusively for the Meacham Park neighborhood.

Fire Improvements - This fund is used to account for citizen approved bond proceeds to be used to rebuild/remodel city fire stations in addition to replacing capital equipment.



CITY OF KIRKWOOD, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS  
MARCH 31, 2005

	Kirkwood Commons Meacham Park	Fire Improvements	Total
ASSETS:			
Cash and investments:			
Held by trustees.....	\$ 530,120	\$ -	\$ 530,120
Unrestricted.....	-	535,090	535,090
Receivables, net of allowances:			
Interest .....	-	3,981	3,981
Miscellaneous.....	-	-	-
TOTAL ASSETS.....	<u>\$ 530,120</u>	<u>\$ 539,071</u>	<u>\$ 1,069,191</u>
LIABILITIES AND FUND BALANCES:			
LIABILITIES:			
Accounts payable.....	\$ -	\$ 71,493	\$ 71,493
Accrued wages and vacation.....	-	-	-
Deposits payable.....	-	-	-
Due to other funds.....	-	-	-
Total Liabilities.....	<u>-</u>	<u>71,493</u>	<u>71,493</u>
FUND BALANCES:			
Reserved for capital projects.....	<u>530,120</u>	<u>467,578</u>	<u>997,698</u>
TOTAL LIABILITIES AND FUND BALANCES.....	<u>\$ 530,120</u>	<u>\$ 539,071</u>	<u>\$ 1,069,191</u>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Kirkwood Commons Meacham Park	Fire Improvements	Total
REVENUES:			
Investment income (loss).....	\$ 8,519	\$ 4,315	\$ 12,834
Other.....	39	-	39
Total Revenues.....	8,558	4,315	12,873
EXPENDITURES:			
General government and finance.....	143,542	-	143,542
Capital outlay.....	721,249	1,545,284	2,266,533
Total Expenditures.....	864,791	1,545,284	2,410,075
EXCESS REVENUES OVER (UNDER) EXPENDITURES.....	(856,233)	(1,540,969)	(2,397,202)
OTHER FINANCING SOURCES:			
Transfer from Electric.....	-	312,718	312,718
NET CHANGE IN FUND BALANCES.....	(856,233)	(1,228,251)	(2,084,484)
FUND BALANCES, BEGINNING OF YEAR.....	1,386,353	1,679,434	3,065,787
PRIOR PERIOD ADJUSTMENT.....	-	16,395	16,395
FUND BALANCES, END OF YEAR.....	\$ 530,120	\$ 467,578	\$ 997,698

See accompanying independent auditors' report

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## **INTERNAL SERVICE FUNDS**

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### **Medical Self Insurance**

This fund is used to account for financial resources to be used for medical insurance premiums and claims expenditures.

### **Fleet Services**

This fund is used to account for citywide vehicle and equipment maintenance and repair costs.

### **Workers' Compensation**

This fund is used to account for financial resources to be used for medical and disability claims expenditures relating to workers' compensation.



CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS  
MARCH 31, 2005

	<u>Medical Self Insurance</u>	<u>Fleet Services</u>	<u>Workers' Compensation Self Insurance</u>	<u>Total</u>
ASSETS:				
Cash and investments:				
Held by trustees.....	\$ 15,000	\$ -	\$ -	\$ 15,000
Unrestricted.....	1,205,630	184,076	1,023,659	2,413,365
Interest receivable.....	6,238	891	6,023	13,152
Other receivable.....	873	-	-	873
Inventory.....	-	14,389	-	14,389
Total Assets.....	<u>1,227,741</u>	<u>199,356</u>	<u>1,029,682</u>	<u>2,456,779</u>
LIABILITIES:				
Accounts payable.....	-	30,843	2,759	33,602
Accrued wages and vacation.....	-	15,622	2,620	18,242
Due to other funds.....	-	583	114	697
Claims payable.....	691,267	-	483,086	1,174,353
Total Current Liabilities.....	<u>691,267</u>	<u>47,048</u>	<u>488,579</u>	<u>1,226,894</u>
NET ASSETS:				
Restricted.....	-	-	-	-
Unrestricted.....	536,474	152,308	541,103	1,229,885
TOTAL NET ASSETS.....	<u>\$ 536,474</u>	<u>\$ 152,308</u>	<u>\$ 541,103</u>	<u>\$ 1,229,885</u>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET ASSETS - INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Medical Self Insurance	Fleet Services	Workers' Compensation Self Insurance	Total
OPERATING REVENUES:				
Charges for services.....	\$ 1,889,535	\$ 825,475	\$ 531,405	\$ 3,246,415
Other.....	-	40,700	-	40,700
Total Operating Revenues.....	1,889,535	866,175	531,405	3,287,115
OPERATING EXPENSES:				
Administrative and general.....	18,474	764,196	92,974	875,644
Claims and insurance premiums.....	2,484,651	-	573,501	3,058,152
Total Operating Expenses.....	2,503,125	764,196	666,475	3,933,796
OPERATING INCOME (LOSS).....	(613,590)	101,979	(135,070)	(646,681)
NONOPERATING REVENUES:				
Transfer to other funds.....	(87,400)	-	-	(87,400)
Investment income (loss).....	(1,257)	(1,426)	(1,848)	(4,531)
CHANGE IN NET ASSETS.....	(702,247)	100,553	(136,918)	(738,612)
NET ASSETS, BEGINNING OF YEAR.....	1,238,721	51,755	678,021	1,968,497
NET ASSETS, END OF YEAR.....	\$ 536,474	\$ 152,308	\$ 541,103	\$ 1,229,885

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF CASH FLOWS -  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	Medical Self Insurance	Fleet Services	Workers' Compensation Self Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers.....	\$ 1,889,011	\$825,476	\$ 531,405	\$ 3,245,892
Payments to suppliers.....	(2,020,026)	(329,262)	(676,776)	(3,026,064)
Payments to employees.....	-	(425,284)	(56,744)	(482,028)
Other receipts.....	-	40,700	-	40,700
Net Cash Provided By (Used In) Operating Activities.....	(131,015)	111,630	(202,115)	(221,500)
<b>CASH FLOWS PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES:</b>				
Receipt of (payment for) interfund borrowing.....	-	(253)	9	(244)
Transfers out.....	(87,400)	-	-	(87,400)
Net Cash Provided By (Used In) Noncapital Financing Activities.....	(87,400)	(253)	9	(87,644)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>				
Interest received on investments.....	4,604	(1,693)	1,162	4,073
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....</b>	<b>(213,811)</b>	<b>109,684</b>	<b>(200,944)</b>	<b>(305,071)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>1,434,441</b>	<b>74,392</b>	<b>1,224,603</b>	<b>2,733,436</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 1,220,630</b>	<b>\$184,076</b>	<b>\$ 1,023,659</b>	<b>\$ 2,428,365</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ (613,590)	\$101,979	\$ (135,070)	\$ (646,681)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>				
<b>(Increase) decrease in assets:</b>				
Other receivables.....	(524)	-	-	(524)
Inventory.....	-	8,740	-	8,740
<b>Increase (decrease) in liabilities:</b>				
Accounts payable.....	-	7,552	338	7,890
Accrued wages and vacation.....	-	(6,641)	415	(6,226)
Claims payable.....	483,099	-	(67,798)	415,301
Total adjustments.....	482,575	9,651	(67,045)	425,181
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....</b>	<b>\$ (131,015)</b>	<b>\$111,630</b>	<b>\$ (202,115)</b>	<b>\$ (221,500)</b>

See accompanying independent auditors' report



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## FIDUCIARY FUND TYPES

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Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds.

### **Trust and Agency Funds**

Trust and agency funds include pension trust funds and agency funds. Pension trust funds are accounted for and reported similar to proprietary funds. Agency funds are accounted for and reported similar to governmental funds. The trust and agency funds maintained by the City are as follows:

Pension Trust Funds - Used to account for the receipt, investment, and distribution of retirement contributions for civilian, police and fire employees.

Agency Funds - Used to account for municipal court collections for bail bonds and deposits collected in behalf of the trustee of the transportation development district.

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF PLAN NET ASSETS - PENSION TRUST FUNDS  
MARCH 31, 2005

	<u>Police Officers' and Fire Retirement</u>	<u>Civilian Employees Retirement</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and investments:			
Held by trustees:			
Short-Term reserves.....	\$ 1,720,416	\$ 1,818,975	\$ 3,539,391
Bond funds.....	1,643,371	761,504	2,404,875
Balanced funds.....	1,555,367	3,839,294	5,394,661
Domestic stock funds.....	10,282,374	4,210,990	14,493,364
International stock funds.....	2,133,236	297,086	2,430,322
Stable value money market funds.....	46,000	44,952	90,952
Vanguard brokerage option fund.....	3,787,510	-	3,787,510
Restricted.....	2,159,887	-	2,159,887
Receivables, net of allowances:			
Intergovernmental.....	-	4,351	4,351
Interest.....	13,241	-	13,241
Other.....	64,798	-	64,798
Due from other funds.....	-	17,705	17,705
Total Assets.....	<u>23,406,200</u>	<u>10,994,857</u>	<u>34,401,057</u>
<b>LIABILITIES:</b>			
Accounts payable.....	31,781	-	31,781
Due to other funds.....	19	-	19
Total Liabilities.....	<u>31,800</u>	<u>-</u>	<u>31,800</u>
<b>NET ASSETS:</b>			
Reserved for employees' pension benefits.....	<u>\$ 23,374,400</u>	<u>\$ 10,994,857</u>	<u>\$ 34,369,257</u>

See accompanying independent auditors' report



CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS -  
PENSION TRUST FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	<u>Police Officers' and Fire Retirement</u>	<u>Civilian Employees Retirement</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employer.....	\$ 812,332	\$ 396,443	\$ 1,208,775
Employee, net of refunds.....	348,458	-	348,458
Total contributions.....	<u>1,160,790</u>	<u>396,443</u>	<u>1,557,233</u>
Investment income:			
Interest and dividends.....	426,809	-	426,809
Net appreciation in the fair value of plan investments.....	<u>231,596</u>	<u>502,003</u>	<u>733,599</u>
Total investment income.....	658,405	502,003	1,160,408
Less: investment expenses.....	-	38,233	38,233
Net investment income.....	<u>658,405</u>	<u>463,770</u>	<u>1,122,175</u>
TOTAL ADDITIONS.....	<u>1,819,195</u>	<u>860,213</u>	<u>2,679,408</u>
DEDUCTIONS:			
Benefit payments.....	1,067,116	552,752	1,619,868
Administrative and general expenses:			
Insurance, taxes and other premiums.....	124,038	87,988	212,026
Professional fees.....	<u>80,664</u>	<u>23,072</u>	<u>103,736</u>
Total administrative and general expenses.....	<u>204,702</u>	<u>111,060</u>	<u>315,762</u>
TOTAL DEDUCTIONS.....	<u>1,271,818</u>	<u>663,812</u>	<u>1,935,630</u>
CHANGE IN NET ASSETS.....	547,377	196,401	743,778
NET ASSETS HELD IN TRUST FOR EMPLOYEE PENSION BENEFITS, BEGINNING OF YEAR.....	<u>22,827,023</u>	<u>10,798,456</u>	<u>33,625,479</u>
END OF YEAR.....	<u>\$ 23,374,400</u>	<u>\$ 10,994,857</u>	<u>\$ 34,369,257</u>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING BALANCE SHEET - AGENCY FUNDS  
MARCH 31, 2005

	<u>Appearance Bond Deposits</u>	<u>Transportation Development District</u>	<u>Total</u>
ASSETS:			
Cash and investments:			
Restricted.....	\$ 41,026	\$ 430	\$ 41,456
TOTAL ASSETS.....	<u>\$ 41,026</u>	<u>\$ 430</u>	<u>\$ 41,456</u>
LIABILITIES:			
Deposits payable.....	\$ 41,026	\$ -	\$ 41,026
Due to trustee.....	-	430	430
TOTAL LIABILITIES.....	<u>\$ 41,026</u>	<u>\$ 430</u>	<u>\$ 41,456</u>

See accompanying independent auditors' report

CITY OF KIRKWOOD, MISSOURI

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
AGENCY FUNDS  
FOR THE FISCAL YEAR ENDED MARCH 31, 2005

	<u>Balance April 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance March 31, 2005</u>
<b>Appearance Bond Deposits</b>				
ASSETS:				
Cash and investments - restricted.....	\$ 48,646	\$ 135,750	\$ 143,370	\$ 41,026
Total Assets.....	<u>\$ 48,646</u>	<u>\$ 135,750</u>	<u>\$ 143,370</u>	<u>\$ 41,026</u>
LIABILITIES:				
Deposits payable.....	\$ 48,646	\$ 135,750	\$ 143,370	\$ 41,026
Total Liabilities.....	<u>\$ 48,646</u>	<u>\$ 135,750</u>	<u>\$ 143,370</u>	<u>\$ 41,026</u>
<b>Transportation Development District</b>				
ASSETS:				
Cash and investments - restricted.....	\$ -	\$ 430	\$ -	\$ 430
Total Assets.....	<u>\$ -</u>	<u>430</u>	<u>\$ -</u>	<u>430</u>
LIABILITIES:				
Due to trustee.....	\$ -	\$ 430	\$ -	\$ 430
Total Liabilities.....	<u>\$ -</u>	<u>\$ 430</u>	<u>\$ -</u>	<u>\$ 430</u>
<b>Total - All Agency Funds</b>				
ASSETS:				
Cash and investments - restricted.....	\$ 48,646	\$ 136,180	\$ 143,370	\$ 41,456
Total Assets.....	<u>\$ 48,646</u>	<u>\$ 136,180</u>	<u>\$ 143,370</u>	<u>\$ 41,456</u>
LIABILITIES:				
Deposits payable.....	\$ 48,646	\$ 135,750	\$ 143,370	\$ 41,026
Due to trustee.....	-	430	-	430
Total Liabilities.....	<u>\$ 48,646</u>	<u>\$ 136,180</u>	<u>\$ 143,370</u>	<u>\$ 41,456</u>

See accompanying independent auditors' report



**City of**

**Statistical Section**

**Kirkwood**

## CITY OF KIRKWOOD, MISSOURI

### **Statistical Section**

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	84
These pages contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	91
These pages contain information to help the reader assess the City's most significant local revenue sources.	
<b>Debt Capacity</b>	98
These pages present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	102
These pages offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	104
These pages contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in this section is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

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CITY OF KIRKWOOD, MISSOURI

**NET ASSETS BY COMPONENT  
LAST TWO FISCAL YEARS**

	<u>Fiscal Year Ended March 31,</u>	
	<u>2004</u>	<u>2005<sup>a</sup></u>
Governmental Activities:		
Invested in capital assets, net of related debt.....	\$ 23,188,368	\$ 28,479,834
Restricted for:		
Capital Projects.....	8,462,998	5,249,060
Debt Service.....	856,177	2,127,376
TIF bonds and notes.....	2,427,957	4,282,196
Unrestricted.....	<u>(12,870,444)</u>	<u>(13,268,059)</u>
Total Governmental Activities Net Assets.....	<u>\$ 22,065,056</u>	<u>\$ 26,870,407</u>
Business-Type Activities:		
Invested in capital assets, net of related debt.....	\$ 9,370,078	\$ 9,597,615
Restricted.....	-	-
Unrestricted.....	<u>23,811,864</u>	<u>24,638,724</u>
Total Business-Type Activities Net Assets.....	<u>\$ 33,181,942</u>	<u>\$ 34,236,339</u>
Primary Government:		
Invested in capital assets, net of related debt.....	\$ 32,558,446	\$ 38,077,449
Restricted for:		
Capital Projects.....	8,462,998	5,249,060
Debt Service.....	856,177	2,127,376
TIF bonds and notes.....	2,427,957	4,282,196
Unrestricted.....	<u>10,941,420</u>	<u>11,370,665</u>
Total Primary Government Net Assets.....	<u>\$ 55,246,998</u>	<u>\$ 61,106,746</u>

<sup>a</sup>The following prior period adjustments were made in Fiscal Year 2005:

Governmental Activities

Invested in capital assets, net of related debt was increased \$588,288 to correct capital asset beginning balances.

Unrestricted was increased by \$75,155 to correct prior period accounts payables.

Business-Type Activities

Invested in capital assets, net of related debt was decreased \$10,610 to correct capital asset beginning balances.

# CITY OF KIRKWOOD, MISSOURI

## CHANGES IN NET ASSETS (CONTINUED) LAST TWO FISCAL YEARS

	Fiscal Year Ended March 31,	
	2004	2005
<b>Expenses:</b>		
Governmental Activities:		
General government.....	\$ 4,688,214	\$ 4,768,694
Purchasing.....	227,747	239,462
Engineering.....	425,809	451,564
Building maintenance.....	285,428	296,923
Building commissioner.....	551,471	618,930
Police.....	4,652,741	4,715,579
Fire.....	3,963,503	4,056,537
Streets.....	2,460,173	2,536,009
Parks.....	978,017	1,109,611
Recreation.....	2,123,837	2,170,689
Interest on long-term debt.....	3,717,676	2,142,644
Total Governmental Activities Expenses.....	24,074,616	23,106,642
Business-Type Activities Expenses:		
Electric.....	11,109,758	11,245,809
Water.....	2,601,565	2,748,290
Sanitation.....	2,074,363	2,037,803
Total Business-Type Activities Expenses.....	15,785,686	16,031,902
Total Primary Government Expenses.....	\$ 39,860,302	\$ 39,138,544
<b>Program Revenues:</b>		
Governmental Activities:		
Charges for Services:		
General government.....	\$ 1,821,808	\$ 2,004,790
Building commissioner.....	762,126	802,837
Fire.....	730,822	558,272
Recreation.....	1,384,737	1,325,559
Other activities.....	255,443	322,148
Operating grants and contributions.....	90,586	96,606
Capital grants and contributions.....	391,912	60,380
Total Governmental Activities Program Revenues.....	5,437,434	5,170,592
Business-Type Activities:		
Charges for Services:		
Electric.....	13,474,074	13,311,734
Water.....	3,346,490	3,291,494
Sanitation.....	1,667,586	2,529,323
Operating grants and contributions.....	75,127	59,555
Capital grants and contributions.....	-	-
Total Business-Type Activities Program Revenues.....	18,563,277	19,192,106
Total Primary Government Program Revenues.....	\$ 24,000,711	\$ 24,362,698



CITY OF KIRKWOOD, MISSOURI

**CHANGES IN NET ASSETS  
LAST TWO FISCAL YEARS**

	<u>Fiscal Year Ended March 31,</u>	
	<u>2004</u>	<u>2005</u>
<b>Net (Expense)/Revenue:</b>		
Governmental activities.....	\$ (18,637,182)	\$ (17,936,050)
Business-type activities.....	2,777,591	3,160,204
Total Primary Government Net Expense.....	<u>\$ (15,859,591)</u>	<u>\$ (14,775,846)</u>
<b>General Revenues and Other Changes in Net Assets:</b>		
<b>Governmental Activities:</b>		
Taxes.....		
Property taxes.....	\$ 3,627,058	\$ 3,622,537
Sales taxes.....	10,106,266	10,603,863
Other taxes.....	5,249,945	5,317,410
Investment earnings.....	635,024	5,333
Gain/(loss) on sale of capital assets.....	(239,989)	-
Miscellaneous.....	398,675	421,097
Transfers.....	2,524,112	2,107,718
Total Government Activities.....	<u>22,301,091</u>	<u>22,077,958</u>
<b>Business-Type Activities</b>		
Investment earnings.....	773,357	4,759
Gain/(loss) on sale of capital assets.....	15,162	7,762
Transfers.....	(2,524,112)	(2,107,718)
Total Business-Type Activities.....	<u>(1,735,593)</u>	<u>(2,095,197)</u>
Total Primary Government.....	<u>\$ 20,565,498</u>	<u>\$ 19,982,761</u>
<b>Change in Net Assets:</b>		
Governmental activities.....	\$ 3,663,909	\$ 4,141,908
Business-type activities.....	1,041,998	1,065,007
Total Primary Government.....	<u>\$ 4,705,907</u>	<u>\$ 5,206,915</u>
<b>Total Primary Government Net Assets</b>		
Governmental activities		
Net assets, beginning.....	18,401,147	22,065,056
Prior period adjustment.....	-	663,443
Net assets, beginning, as restated.....	<u>18,401,147</u>	<u>22,728,499</u>
Net assets, ending.....	<u>22,065,056</u>	<u>26,870,407</u>
Business-type activities		
Net assets, beginning.....	32,139,944	33,181,942
Prior period adjustment.....	-	(10,610)
Net assets, beginning, as restated.....	<u>32,139,944</u>	<u>33,171,332</u>
Net assets, ending.....	<u>33,181,942</u>	<u>34,236,339</u>
Total Primary Government.....	<u>55,246,998</u>	<u>61,106,746</u>



CITY OF KIRKWOOD, MISSOURI

PROGRAM REVENUES BY FUNCTION/PROGRAM  
LAST TWO FISCAL YEARS

	Fiscal Year Ended March 31,	
	2004	2005
<b>Function/Program:</b>		
Governmental Activities:		
General government and finance.....	\$ 1,879,558	\$ 2,086,058
Engineering.....	32,341	64,133
Building commissioner.....	762,126	802,837
Police.....	179,652	244,557
Fire.....	749,689	558,272
Streets.....	17,916	14,969
Parks.....	339,503	74,207
Recreation.....	1,476,649	1,325,559
Subtotal Governmental Activities.....	<u>5,437,434</u>	<u>5,170,592</u>
Business-Type Activities:		
Electric.....	13,474,074	13,311,734
Water.....	3,346,490	3,291,494
Sanitation.....	1,742,713	2,588,878
Subtotal Business-Type Activities.....	<u>18,563,277</u>	<u>19,192,106</u>
Total Primary Government.....	<u>\$ 24,000,711</u>	<u>\$ 24,362,698</u>

CITY OF KIRKWOOD, MISSOURI

FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

	Fiscal Year Ended March 31,									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Fund:										
Reserved.....	\$ 56,108	\$ 53,646	\$ 113,978	\$ 126,228	\$ 131,160	\$ 86,009	\$ 84,170	\$ 90,404	\$ 98,765	\$ 77,801
Unreserved.....	447,298	586,338	461,015	78,255	599,991	1,813,998	2,391,797	1,737,243	2,487,963	2,684,763
Total General Fund.....	<u>\$ 503,406</u>	<u>\$ 639,984</u>	<u>\$ 574,993</u>	<u>\$ 204,483</u>	<u>\$ 731,151</u>	<u>\$ 1,900,007</u>	<u>\$ 2,475,967</u>	<u>\$ 1,827,647</u>	<u>\$ 2,586,728</u>	<u>\$ 2,762,564</u>
All Other Governmental Funds:										
Reserved.....	\$ 1,535,976	\$ 4,728,358	\$ 1,784,932	\$ 277,758	\$ 4,314,555	\$ 15,712,578	\$ 17,175,285	\$ 13,019,452	\$ 9,785,016	\$ 7,514,854
Unreserved, reported in:										
Special revenue funds.....	429,963	459,341	1,051,378	1,154,314	1,027,620	2,612,170	5,062,617	4,638,749	3,637,025	5,570,229
Capital project funds.....	-	-	-	11,926,204	-	-	-	-	-	-
Total All Other Governmental Funds.....	<u>\$ 1,965,939</u>	<u>\$ 5,187,699</u>	<u>\$ 2,836,310</u>	<u>\$ 13,358,276</u>	<u>\$ 5,342,175</u>	<u>\$ 18,324,748</u>	<u>\$ 22,237,902</u>	<u>\$ 17,658,201</u>	<u>\$ 13,422,041</u>	<u>\$ 13,085,083</u>

# CITY OF KIRKWOOD, MISSOURI

## CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year Ended March 31,									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Revenues:</b>										
Taxes:	\$ 8,867,470	\$ 9,081,238	\$ 11,142,941	\$ 10,055,746	\$ 12,058,905	\$ 15,893,394	\$ 17,690,868	\$ 18,587,906	\$ 18,980,757	\$ 19,521,960
Intergovernmental.....	530,235	217,604	288,312	146,007	340,582	318,121	455,090	346,401	329,674	336,019
Licenses, permits, fines and fees.....	2,338,236	2,562,125	2,609,809	2,465,457	2,660,316	1,903,497	2,116,716	2,159,315	2,502,023	2,681,056
Interest on investments.....	64,600	277,440	261,427	378,431	466,296	1,122,103	868,191	1,019,963	558,083	9,769
Charges for services.....	584,688	618,873	583,757	564,365	627,346	878,603	895,901	1,420,664	2,065,442	1,858,815
Grants and contributions.....	44,000	97,000	65,000	233,000	*	*	*	*	355,000	40,850
Other.....	235,510	198,787	222,079	676,020	658,721	513,596	507,721	563,320	569,649	634,342
<b>Total Revenues.....</b>	<b>12,664,739</b>	<b>13,053,067</b>	<b>15,173,325</b>	<b>14,519,026</b>	<b>16,812,166</b>	<b>20,629,314</b>	<b>22,534,487</b>	<b>24,097,569</b>	<b>25,360,628</b>	<b>25,082,811</b>
<b>Expenditures:</b>										
General government.....	1,671,513	2,010,761	2,725,676	2,962,351	2,972,473	3,210,487	2,996,315	3,264,143	3,528,176	3,227,754
Purchasing.....	164,322	168,832	175,595	180,865	182,197	188,305	198,733	208,215	227,747	233,086
Engineering.....	270,194	261,566	305,192	282,689	292,232	338,058	332,836	439,882	421,229	439,124
Building maintenance.....	*	336,125	181,134	191,312	247,335	286,921	292,553	326,295	285,428	289,670
Building commissioner.....	272,210	173,436	323,018	326,032	356,904	432,644	508,117	556,082	551,471	605,929
Police.....	3,294,986	3,528,573	3,592,966	3,786,837	3,734,238	3,990,364	4,235,947	4,490,030	4,519,525	4,557,409
Fire.....	2,068,365	2,227,805	2,332,083	2,475,027	2,560,532	2,845,980	3,029,937	3,321,929	3,613,520	3,635,410
Streets.....	1,865,219	1,764,366	1,625,261	1,570,289	1,605,588	1,632,413	1,619,286	1,801,792	1,616,271	1,565,693
Recreation.....	858,058	873,171	869,211	820,741	856,388	1,081,450	1,079,259	1,548,043	1,544,317	1,526,889
Parks.....	372,797	440,530	458,372	522,011	648,515	663,365	749,353	791,948	834,946	898,517
Vehicle maintenance.....	266,850	163,805	137,083	59,791	219,197	**	**	**	**	**
Capital outlay.....	868,594	3,813,671	4,921,317	4,962,597	11,074,962	2,042,809	2,929,201	8,004,640	5,241,577	4,968,828
Debt service:										
Interest.....	353,498	342,638	470,532	222,405	1,345,040	1,964,576	3,017,047	2,908,016	3,450,843	3,570,000
Principal.....	231,925	251,450	280,975	754,546	1,302,938	1,714,988	2,031,000	4,569,000	5,616,728	2,038,944
<b>Total Expenditures.....</b>	<b>12,558,531</b>	<b>16,356,729</b>	<b>18,398,415</b>	<b>19,117,493</b>	<b>27,398,539</b>	<b>20,392,360</b>	<b>23,019,584</b>	<b>32,230,015</b>	<b>31,451,778</b>	<b>27,557,253</b>
Excess of revenues over (under) expenditures.....	106,208	(3,303,662)	(3,225,090)	(4,598,467)	(10,586,373)	236,954	(485,097)	(8,132,446)	(6,091,150)	(2,474,442)
<b>Other Financing Sources (Uses):</b>										
Proceeds from borrowing.....	-	5,562,000	-	13,372,439	-	6,652,871	-	-	-	-
Proceeds from refunding.....	-	-	-	4,921,535	-	19,610,938	-	-	23,853,982	-
Proceeds from sale of capital assets.....	-	-	-	-	-	5,532	-	15,019	165,367	43,047
Payments to escrow agent.....	-	-	-	(5,024,635)	-	(15,126,491)	-	-	(24,218,201)	-
Transfers in.....	1,930,690	1,113,400	808,710	1,925,738	4,393,663	4,384,804	5,613,255	2,973,060	3,184,112	2,855,118
Transfers out.....	-	(13,400)	-	(445,157)	(1,539,195)	(1,617,663)	(1,331,169)	(310,000)	(660,000)	(660,000)
<b>Total Other Financing Sources (Uses).....</b>	<b>1,930,690</b>	<b>6,662,000</b>	<b>808,710</b>	<b>14,749,920</b>	<b>2,854,468</b>	<b>13,909,991</b>	<b>4,282,086</b>	<b>2,678,079</b>	<b>2,325,260</b>	<b>2,238,165</b>
<b>Net Change In Fund Balances.....</b>	<b>\$ 2,036,898</b>	<b>\$ 3,358,338</b>	<b>\$ (2,416,380)</b>	<b>\$ 10,151,453</b>	<b>\$ (7,731,905)</b>	<b>\$ 14,146,945</b>	<b>\$ 3,796,989</b>	<b>\$ (5,454,367)</b>	<b>\$ (3,765,890)</b>	<b>\$ (236,277)</b>
Debt service as a percentage of noncapital expenditures.....	5.0%	4.7%	5.6%	6.9%	16.2%	20.1%	25.1%	30.9%	34.6%	33.0%



CITY OF KIRKWOOD, MISSOURI

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Sales & Use	Property	Utility Gross Receipts	Gasoline/Motor Vehicle Sales	Highway Road and Bridge	Franchise	Cigarette	Total
1996	\$ 5,619,814	\$ 795,057	\$ 1,414,041	\$ 785,494	\$ 357,228	\$ 71,994	\$ 131,737	\$ 9,175,365
1997	5,123,756	846,248	1,595,021	891,369	365,147	78,258	132,228	9,032,027
1998	5,049,205	1,363,533	1,451,922	1,100,584	390,091	83,281	124,933	9,563,549
1999	5,464,917	1,182,201	2,111,688	1,125,547	392,549	125,188	127,170	10,529,260
2000	7,285,059	1,352,716	2,180,584	1,168,537	416,223	115,378	123,153	12,641,650
2001	8,979,283	1,673,253	3,367,117	1,159,624	433,984	133,098	147,032	15,893,391
2002	9,400,383	3,348,965	2,984,233	1,073,308	496,026	238,877	106,791	17,648,583
2003	9,978,245	3,452,606	3,264,969	1,086,515	514,698	187,983	102,890	18,587,906
2004	10,106,266	3,624,547	3,274,556	1,120,592	531,181	219,136	104,479	18,980,757
2005	10,603,862	3,600,688	3,308,689	1,141,847	536,605	231,456	98,813	19,521,960
Change 1996-2005	88.7%	352.9%	134.0%	45.4%	50.2%	221.5%	-25.0%	112.8%

CITY OF KIRKWOOD, MISSOURI

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Residential Real Estate Property	Commercial Real Estate Property	Regular Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1996	\$ 243,760,204	\$ 48,168,183	\$ 53,067,621	\$ 344,996,008	0.350	\$ 1,592,692,799	21.661
1997	244,953,830	48,386,833	58,409,940	351,750,603	0.400	1,615,686,882	21.771
1998	263,681,440	52,324,276	60,980,320	376,986,036	0.490	1,734,269,671	21.737
1999	264,896,740	54,998,405	61,887,484	381,782,629	0.420	1,751,744,404	21.794
2000	285,746,810	59,478,493	65,096,441	410,321,744	0.420	1,885,109,723	21.766
2001	286,071,840	65,698,745	73,735,317	425,505,902	0.420	1,932,177,915	22.022
2002	341,057,910	82,167,392	80,407,723	503,633,025	0.594	2,293,062,025	21.963
2003	343,216,330	80,951,693	78,327,058	502,495,081	0.585	2,294,380,452	21.901
2004	370,049,730	82,353,992	76,955,374	529,359,096	0.576	2,435,875,594	21.732
2005	373,661,390	84,036,011	73,220,755	530,918,156	0.573	2,448,935,663	21.680

**Source:** Office of the St. Louis County Assessor

**Note:** St. Louis County assesses property at approximately 19 percent of actual value for residential, 32 percent for commercial, and 33-1/3 of value for personal property. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

# CITY OF KIRKWOOD, MISSOURI

## DIRECT AND OVERLAPPING PROPERTY TAX RATES (RATE PER \$100 OF ASSESSED VALUE) LAST TEN FISCAL YEARS

	Fiscal Year Ended March 31,									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>City of Kirkwood Direct Rates:</b>										
Kirkwood Park Fund.....	\$ 0.110	\$ 0.110	\$ 0.200	\$ 0.130	\$ 0.130	\$ 0.130	\$ 0.130	\$ 0.130	\$ 0.133	\$ 0.136
Police and Firemen Retirement Fund.....	0.130	0.180	0.180	0.180	0.180	0.180	0.167	0.168	0.163	0.158
Debt Service Fund.....	0.110	0.110	0.110	0.110	0.110	0.110	0.297	0.287	0.280	0.279
Total Direct Rate.....	<u>\$ 0.35</u>	<u>\$ 0.40</u>	<u>\$ 0.49</u>	<u>\$ 0.42</u>	<u>\$ 0.42</u>	<u>\$ 0.42</u>	<u>\$ 0.59</u>	<u>\$ 0.59</u>	<u>\$ 0.58</u>	<u>\$ 0.57</u>
<b>Overlapping Rates:</b>										
County and State.....	0.610	0.610	0.610	0.610	0.610	0.610	0.610	0.610	0.610	0.610
Kirkwood Public Library.....	0.240	0.240	0.240	0.240	0.240	0.240	0.223	0.223	0.215	0.219
Special Business District.....	0.430	0.430	0.420	0.380	0.360	0.352	0.467	0.480	0.480	0.571
School Districts.....	4.670	4.740	4.650	5.100	5.000	5.088	5.011	4.825	4.814	4.882
Sewer Districts.....	0.160	0.160	0.160	0.160	0.160	0.160	0.160	0.131	0.135	0.135
Other.....	0.313	0.317	0.317	0.317	0.312	0.317	0.307	0.307	0.311	0.361

Source: St. Louis County Department of Revenue



CITY OF KIRKWOOD, MISSOURI

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

Tax Payer	2005			1996		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Kirkwood Commons.....	\$ 4,868,680	1	0.92 %			
Novus Investment LLC.....	4,097,790	2	0.77			
Lowes Home Centers Inc.....	3,704,080	3	0.70			
Chaminade College Society.....	3,224,160	4	0.61			
Dayton Hudson Corp.....	3,018,850	5	0.57			
Kirkwood Crossing LLC.....	2,749,030	6	0.52			
Mills Timberlake Apartments.....	2,740,090	7	0.51			
SBC Communications (Southwestern Bell).....	2,604,751	8	0.49	\$ 2,162,396	3	0.61 %
Ameren UE (Union Electric).....	2,591,998	9	0.49	2,897,747	1	0.82
Supervalu Holdings Inc.....	2,001,280	10	0.38			
Venture Stores.....	-		-	2,639,000	2	0.75
Manchester Lindbergh Joint Venture.....	-		-	1,963,230	4	0.56
Biggs, Thomas H.....	-		-	1,829,620	5	0.52
RJC Partnership LLC.....	-		-	1,669,410	6	0.47
Schnucks Markets, Inc.....	-		-	1,453,850	7	0.41
Woodbine Properties Company.....	-		-	1,342,100	8	0.38
Kirkwood Housing Partnership.....	-		-	1,042,400	9	0.30
Total.....	<u>\$ 31,600,709</u>		<u>5.96 %</u>	<u>\$ 16,999,753</u>		<u>4.82 %</u>

Source: Office of the St. Louis County Assessor

CITY OF KIRKWOOD, MISSOURI

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996	\$ 2,028,719	\$ 1,928,670	95.07 %	\$ 92,588	\$ 2,021,258	99.63 %
1997	2,243,102	2,133,989	95.14	120,505	2,254,494	100.51
1998	2,733,577	2,598,731	95.07	157,680	2,756,411	100.84
1999	2,496,682	2,317,063	92.81	169,809	2,486,872	99.61
2000	2,670,190	2,484,958	93.06	182,637	2,667,595	99.90
2001	2,744,645	2,585,557	94.20	196,209	2,781,766	101.35
2002	2,881,181	2,652,470	92.06	71,786	2,724,256	94.55
2003	2,844,173	2,717,565	95.55	193,140	2,910,705	102.34
2004	2,956,368	2,451,312	82.92	139,554	2,590,866	87.64
2005	2,943,062	2,775,506	94.31	526,825	3,302,331	112.21

Source: Office of the St. Louis County Assessor

CITY OF KIRKWOOD, MISSOURI

ELECTRICITY SOLD BY TYPE OF CUSTOMER (IN MEGAWATT HOURS)  
LAST SIX FISCAL YEARS

	Fiscal Year Ended March 31,					
	2000	2001	2002	2003	2004	2005
<b>Type of Customer:</b>						
Residential.....	\$ 85,760	\$ 90,364	\$ 88,097	\$ 99,135	\$ 90,544	\$ 92,391
Commercial by type.....						
Commercial.....	95,021	96,080	92,161	94,758	90,071	90,071
Electric Primary.....	3,564	3,244	2,660	3,292	3,101	2,992
Small Commercial.....	8,698	9,695	10,654	11,967	11,189	12,411
Large User.....	2,417	11,973	12,700	13,192	12,551	13,025
Total.....	<u>\$ 195,460</u>	<u>\$ 211,356</u>	<u>\$ 206,272</u>	<u>\$ 222,344</u>	<u>\$ 207,456</u>	<u>\$ 210,890</u>
Total direct rate per megawatt hour.....	65.74	63.85	64.46	63.37	62.39	60.79

Source: City of Kirkwood Finance Department



# CITY OF KIRKWOOD, MISSOURI

## WATER SOLD BY TYPE OF CUSTOMER (IN HUNDRED CUBIC FEET) LAST SIX FISCAL YEARS

	Fiscal Year Ended March 31,					
	2000	2001	2002	2003	2004	2005
<b>Type of Customer:</b>						
Residential.....	\$ 1,055,237	\$ 961,028	\$ 1,078,716	\$ 1,066,967	\$ 975,718	\$ 951,857
Commercial.....	580,226	577,922	598,358	552,503	522,852	504,030
<b>Total.....</b>	<b>\$ 1,635,463</b>	<b>\$ 1,538,950</b>	<b>\$ 1,677,074</b>	<b>\$ 1,619,470</b>	<b>\$ 1,498,570</b>	<b>\$ 1,455,887</b>
 Total direct rate per hundred cubic feet.....	 1.73	 1.74	 1.88	 2.01	 2.06	 2.07

Source: City of Kirkwood Finance Department

CITY OF KIRKWOOD, MISSOURI

DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS

	Fiscal Year Ended March 31,									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>City of Kirkwood Direct Rates:</b>										
General Corporate Sales Tax.....	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Local Option Use Tax.....	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Capital Improvement Sales Tax.....	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Park and Stormwater Sales Tax.....	-	-	-	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Subtotal Direct Rate.....	1.75	1.75	1.75	2.25	2.25	2.25	2.25	2.25	2.25	2.25
<b>Overlapping Rates:</b>										
State.....	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225	4.225
St. Louis County Transportation.....	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Mass Transit Tax (Metrolink).....	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
St. Louis County Regional Parks & Trails....	-	-	-	-	-	-	0.100	0.100	0.100	0.100
Subtotal Overlapping Rate.....	4.975	4.975	4.975	4.975	4.975	4.975	5.075	5.075	5.075	5.075
Total Sales Tax Rate.....	6.725	6.725	6.725	7.225	7.225	7.225	7.325	7.325	7.325	7.325

**Source:** St. Louis County Department of Revenue and Missouri Department of Revenue

**NOTE:** Kirkwood has a new development that council approved a 1% transportation development district tax. The development is a one block area in downtown Kirkwood.

CITY OF KIRKWOOD, MISSOURI

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended March 31,	Governmental Activities			Business-Type Activities	Total Primary Government	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Leasehold Revenue Bonds	Revenue Bonds and Notes	General Obligation Bonds			
1996	\$ 4,855,000	\$ 2,270,000	\$ -	\$ 1,150,000	\$ 8,275,000	1.37%	\$ 303
1997	7,775,000	1,820,000	2,580,000	980,000	13,155,000	2.19%	482
1998	7,675,000	1,345,000	2,580,000	815,000	12,415,000	2.06%	455
1999	9,645,000	12,665,000	2,380,000	660,000	25,350,000	4.21%	929
2000	9,040,000	11,435,000	8,265,377	510,000	29,250,377	3.34%	1,072
2001	14,775,000	11,030,000	26,433,778	370,000	52,608,778	6.01%	1,925
2002	13,670,000	10,610,000	26,177,778	260,000	50,717,778	5.80%	1,856
2003	12,260,000	10,175,000	23,453,778	155,000	46,043,778	5.26%	1,685
2004	10,745,000	10,245,000	19,497,864	75,000	40,562,864	4.64%	1,485
2005	9,125,000	9,730,000	18,138,484	25,000	37,018,484	4.23%	1,355

**Notes:** Details regarding the city's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> Percentage of personal income for Fiscal Years 1996-1999 is based on the U.S. Census Bureau's 1990 Census per capital income of \$22,058. Percentage of personal income for Fiscal Years 2000-2005 is based on the US Census Bureau's 2000 census. See page 102 for personal income and population data.



**CITY OF KIRKWOOD, MISSOURI**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN  
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General bonded debt outstanding										
General obligation bonds.....	\$ 6,005	\$ 8,755	\$ 8,490	\$ 10,305	\$ 9,550	\$ 15,145	\$ 13,930	\$ 12,415	\$ 10,820	\$ 9,125
Percentage of estimated actual property value <sup>a</sup> .....	0.38%	0.54%	0.49%	0.59%	0.51%	0.78%	0.61%	0.54%	0.44%	0.37%
Per Capita <sup>b</sup> .....	220.04	320.80	311.09	377.60	349.93	554.94	510.42	454.91	396.47	334.36
Less: Amounts related to street improvements.....	-	(3,000)	(3,000)	(5,000)	(4,555)	(3,725)	(2,855)	(1,945)	(995)	-
Less: Amounts set aside to repay general debt.....	(140)	(171)	(184)	(224)	(266)	(297)	(886)	(895)	(854)	(2,108)
Total net debt applicable to.....	5,865	5,584	5,306	5,081	4,729	11,123	10,189	9,575	8,971	7,017
Legal debt limit <sup>c</sup> .....	34,578	35,175	37,699	38,236	40,275	42,551	50,358	50,250	52,936	53,092
Legal debt margin <sup>d</sup> .....	<u>\$ 28,713</u>	<u>\$ 29,591</u>	<u>\$ 32,393</u>	<u>\$ 33,155</u>	<u>\$ 35,546</u>	<u>\$ 31,428</u>	<u>\$ 40,169</u>	<u>\$ 40,675</u>	<u>\$ 43,965</u>	<u>\$ 46,075</u>
Legal debt margin as a percentage of the debt limit.....	83.04%	84.13%	85.93%	86.71%	88.26%	73.86%	79.77%	80.95%	83.05%	86.78%

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

<sup>a</sup>Property value data can be found on page 91: Assessed Value and Actual Value of Taxable Property.

<sup>b</sup>Population data can be found on page 103: Demographic and Economic Statistics.

<sup>c</sup>Under the statutes of the State of Missouri, the limit of bonded indebtedness is 10% of the most recent assessed valuation.

<sup>d</sup>The legal debt margin is the city's available borrowing authority under the statutes of the State of Missouri and is calculated by subtracting the net debt applicable to the legal debt limit from the legal debt limit.

CITY OF KIRKWOOD, MISSOURI

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF MARCH 31, 2005

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Governmental Unit	Debt Outstanding <sup>a</sup>	Estimated Percentage Applicable <sup>b</sup>	Estimated Share of Overlapping Debt
St. Louis County.....	\$ 98,505,000	2.80%	\$ 2,758,140
Kirkwood School District.....	31,450,000	54.34%	17,090,073
Subtotal, Overlapping Debt.....			19,848,213
City of Kirkwood, direct debt.....			9,125,000
Total Direct and Overlapping Debt.....			\$ 28,973,213

**Source:** Bond amounts were provided by the respective taxing districts. Assessments were provided by the respective taxing districts or the St. Louis County Collector.

<sup>a</sup> Excludes overlapping taxing districts with assessed valuations applicable to the City that are less than 1%.

<sup>b</sup> Estimated based on 2004 real and personal property.

CITY OF KIRKWOOD, MISSOURI

PLEDGED-REVENUE COVERAGE  
LAST SEVEN FISCAL YEARS

Fiscal Year Ended March 31,	Tax Increment Financing Bonds						
	Revenue Sources				Debt Service		
	Property Tax	Sales Tax	Business License Revenue	Total Available Revenue	Principal	Interest	Coverage
1999	\$ 207,360	\$ 49,480	\$ -	\$ 256,840	\$ 200,000	\$ 102,227	0.85
2000	316,941	57,318	-	374,259	30,000	309,562	1.10
2001	622,212	1,543,365	62,127	2,227,704	295,000	1,011,362	1.71
2002	1,003,440	2,278,356	203,306	3,485,102	451,000	1,778,389	1.56
2003	1,069,353	2,515,692	174,603	3,759,648	2,724,000	1,741,392	0.84
2004	1,196,921	2,569,026	127,688	3,893,635	2,495,000	1,539,171	0.97
2005	1,360,770	2,890,779	261,706	4,513,255	1,435,000	1,083,696	1.79

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



CITY OF KIRKWOOD, MISSOURI

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS

Year	Population	Personal Income (thousand of dollars) <sup>a</sup>	Per Capita Personal Income <sup>a</sup>	Median Age <sup>a</sup>	Education Level		School Enrollment	Unemployment Rate
					High School Graduate (%) <sup>a</sup>	Bachelor's Degree or Higher (%) <sup>a</sup>		
1995	27,291						5,202	2.5%
1996	27,291						2,138	2.5%
1997	27,291						5,178	2.2%
1998	27,291						5,076	2.2%
1999	27,291						5,061	1.8%
2000	27,324	874,695,888	32,012	41.0	42.7%	51.5%	5,001	1.9%
2001	27,324						4,984	2.5%
2002	27,324						5,101	3.2%
2003	27,324						5,109	3.5%
2004	27,324						5,027	3.6%

**Source:** U.S. Census Bureau Census 2000, U.S. Bureau of Labor Statistics, and Kirkwood School District

<sup>a</sup>City specific data for off census years is not readily available.

CITY OF KIRKWOOD, MISSOURI

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2005		1996	
	Employees	Rank	Employees	Rank
St. Joseph Hospital.....	961	1	796	1
Kirkwood School District R-7.....	644	2	633	2
The Lutheran Church-Missouri Synod.....	554	3	452	3
Junior College District of St. Louis, St. Louis County Missouri.....	509	4	442	4
Wal-Mart.....	400	5		
Shop 'n Save Supermarket.....	275	6	168	7
City of Kirkwood.....	255	7	247	5
Lowes.....	200	8		
Target.....	190	9		
St. Agnes Home.....	85	10	98	8
SBC Communications.....	85	10	263	6
Vianney High School.....			50	9
Total.....	4,158		3,149	

**Source:** Office of the Chief Administrative Officer

**Note:** Percentage of total city employment column has been omitted for both 2005 and 1996 because accurate information is unavailable.

# CITY OF KIRKWOOD, MISSOURI

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST EIGHT FISCAL YEARS

Function/Program	Full-time Equivalent Employees as of March 31							
	1998	1999	2000	2001	2002	2003	2004	2005
General government:								
City clerk.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administration.....	4.0	4.0	5.0	4.0	4.0	4.0	4.3	4.3
MIS <sup>a</sup> .....	3.5	3.5	4.5	4.5	4.5	5.5	5.5	5.5
Personnel.....	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Community development.....	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0
Finance <sup>b</sup> .....	7.0	9.0	9.5	8.0	9.0	9.0	9.0	8.0
Municipal court.....	2.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0
Special Business District.....	1.0	1.0	1.5	1.5	1.5	2.5	2.6	2.6
Purchasing.....	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Engineering.....	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0
Building maintenance.....	2.0	2.0	2.5	2.5	3.0	3.0	3.0	3.0
Building commissioner.....	6.6	6.6	6.6	9.6	9.6	9.6	9.6	9.6
Police.....								
Commissioned Officers.....	54.0	52.0	56.0	57.0	58.0	57.0	56.0	55.0
Civilians.....	12.6	12.9	12.4	13.6	13.8	13.3	12.1	12.6
Fire:								
Officers, firefighters, and EMS.....	40.0	40.0	40.0	40.0	41.0	42.0	45.0	43.0
Civilians.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Streets.....	23.0	21.0	22.0	19.0	22.0	22.0	17.0	17.0
Parks.....	7.0	8.0	11.0	11.8	12.3	12.3	12.3	12.3
Recreation.....	8.5	7.5	17.3	16.8	18.0	17.2	18.8	19.3
Electric.....	20.0	19.0	18.0	20.0	20.0	20.5	20.5	19.5
Water.....	18.0	19.0	16.0	17.0	19.0	20.5	19.5	19.5
Sanitation <sup>c</sup> .....	19.0	18.0	19.3	17.3	19.8	19.5	20.3	18.8
Workers compensation.....	-	-	-	-	1.0	1.0	1.0	1.0
Fleet services <sup>d</sup> .....	10.5	10.5	10.0	10.0	9.0	9.0	7.0	7.0
Total.....	<u>250.7</u>	<u>248.0</u>	<u>264.6</u>	<u>268.6</u>	<u>282.5</u>	<u>284.9</u>	<u>280.5</u>	<u>275.0</u>

**Source:** City of Kirkwood Finance Department

<sup>a</sup>Effective FY2000 GIS technician position included in MIS is funded by the Water Fund.

<sup>b</sup>Office manager, (2) utility billing clerks, and customer service representative included in Finance are funded equally by the Electric, Water, and Sanitation Funds.

<sup>c</sup>Customer service assistant included in Sanitation is funded 33-1/3% by Fleet Services.

<sup>d</sup>Director of vehicle maintenance included in Fleet Services is funded 50% by Building Maintenance.



CITY OF KIRKWOOD, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)  
LAST SIX FISCAL YEARS

Function/Program	Fiscal Year Ended March 31,					
	2000	2001	2002	2003	2004	2005
General government:						
Business/Liquor Licenses Issued.....	907	892	959	966	977	1,076
AP Checks Issued.....	8,995	8,339	8,152	7,486	7,376	6,877
Payroll Checks Issued.....	6,175	4,485	4,038	3,439	2,898	2,340
Purchasing:						
Purchase Orders Issued.....	1,378	1,072	871	488	515	629
Invoices Processed.....	*	*	4,605	3,408	2,004	2,635
Formal Bids.....	*	*	61	74	74	71
Engineering:						
Concrete Street Replacement (Square Yds).....	16,040	9,463	10,864	8,418	8,290	3,350
Asphaltic Concrete Overlays (Tons) <sup>a</sup> .....	*	*	*	*	*	5,390
Planning & Zoning Applications including						
Performance Guarantee Administration.....	53	45	41	22	31	26
Excavation Deposits.....	108	129	103	131	138	178
Sewer Lateral Insurance Applications.....	162	189	142	168	122	138
Single Family Site Plan Reviews.....	*	*	*	6	47	66
Building Maintenance:						
Work Orders Completed.....	*	295	294	296	345	276
Building Commissioner:						
Cost Recovery Rate.....	132%	113%	96%	88%	148%	138%
Permits Issued:						
Building.....	2,368	2,162	2,122	2,224	2,540	2,998
Occupancy.....	923	1,069	1,230	1,282	1,444	1,343
Inspections Performed:						
Construction.....	4,318	4,418	5,194	5,658	6,049	7,531
Re-Occupancy.....	2,593	2,961	3,099	3,081	2,926	3,033
Code Violations.....	*	*	2,420	4,102	5,960	6,748
Violation Notices.....	934	1,722	1,488	1,364	1,147	1,183
Board of Adjustment Cases.....	56	40	47	33	28	43
Architectural Review Cases.....	79	70	62	50	94	72
Police:						
Number of Calls.....	15,257	18,966	19,537	18,119	18,186	19,396

CITY OF KIRKWOOD, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)  
LAST SIX FISCAL YEARS

Function/Program	Fiscal Year Ended March 31,					
	2000	2001	2002	2003	2004	2005
Fire:						
Number of Calls.....						
Fire.....	*	1,025	1,001	1,064	1,042	1,051
EMS.....	*	1,635	1,952	1,937	2,109	1,980
Percentage of "At Risk" Property Saved.....	*	89.02%	94.42%	97.73%	95.58%	98.26%
Streets:						
Maintenance - Asphaltic Concrete (Tons).....	*	3,458	3,592	2,411	1,393	1,321
Maintenance - Crack Seal FY2001 to FY2003 (Gallons) <sup>b</sup> .....	*	1,485	1,925	1,870	N/A	N/A
Maintenance - Crack Seal FY2004 to FY2004 (Pounds) <sup>b</sup> .....	N/A	N/A	N/A	N/A	10,656	15,984
Ground Maintenance (Hours).....	*	*	*	2,237	1,775	1,377
Snow Removal:						
Salt Used (Tons).....	1,266	3,108	1,528	5,223	3,219	649
Labor (Hours).....	440	1,370	580	3,482	1,218	278
Parks:						
Park Maintenance Cost per Acre.....	\$ 2,126	\$ 2,175	\$ 2,457	\$ 2,597	\$ 2,738	\$ 2,946
Recreation:						
Aquatic Facility Attendance.....	*	91,701	81,848	84,131	75,151	61,581
Ice Rink Facility Attendance.....	*	28,806	28,360	26,432	26,818	25,081
Cost Recovery Rate.....	66%	79%	81%	89%	89%	85%
Electric:						
Number of Customer Accounts:						
Residential.....	8,356	8,470	8,466	8,570	8,629	8,861
Commercial.....	1,146	1,155	1,159	1,168	1,176	1,176
Personnel Cost/Customer Accounts.....	\$ 110	\$ 114	\$ 138	\$ 133	\$ 140	\$ 144
Distribution Cost Per Circuit Line Mile <sup>c</sup> .....	*	*	*	*	*	\$ 4,814
Water:						
Number of Customer Accounts:						
Residential.....	9,422	9,422	9,415	9,397	9,397	9,422
Commercial.....	836	819	819	834	834	836
Personnel Cost/Customer Accounts.....	\$ 75	\$ 84	\$ 101	\$ 119	\$ 117	\$ 123

CITY OF KIRKWOOD, MISSOURI

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST SIX FISCAL YEARS

Function/Program	Fiscal Year Ended March 31,					
	2000	2001	2002	2003	2004	2005
Sanitation:						
Number of Customer Accounts						
Residential.....	9,385	9,389	9,397	9,437	9,406	9,436
Commercial.....	144	149	140	145	162	164
Personnel Cost/Customer Accounts <sup>d</sup> .....	\$ 70	\$ 74	\$ 80	\$ 83	\$ 89	\$ 92
Material Collected:						
Recycling Material Collected (Tons).....	3,837	3,899	3,748	3,688	3,641	3,730
Waste Disposal (Tons).....	11,452	11,211	11,667	11,174	11,389	11,225
Landfill Diversion Rate (% Recycled/Total).....	25%	26%	24%	25%	24%	25%
Yard Waste (Cubic Yards).....	6,649	7,426	7,091	6,960	7,756	7,261
Workers Compensation <sup>e</sup> :						
Number of Claims.....	*	*	97	48	58	68
Average Cost per Claim.....	*	*	\$ 5,037	\$ 13,952	\$ 15,335	\$ 9,801
Fleet Services:						
Average Age of Vehicles.....	5.6	5.6	5.6	6.3	4.6	5.4
Maintenance Cost per Vehicle.....	*	\$ 5,751	\$ 6,007	\$ 5,603	\$ 5,864	\$ 5,578

**Source:** Various city departments

\* Data not available.

<sup>a</sup>Fiscal Year 2005 is the first fiscal year for asphaltic concrete overlays.

<sup>b</sup>Data for Fiscal Years 2001 through 2003 recorded in gallons. Beginning in Fiscal Year 2004 data is recorded in pounds.

<sup>c</sup>Fiscal Year 2005 is the first year the city is using distribution costs per circuit line mile.

<sup>d</sup>Beginning Fiscal Year 2004, Sanitation funded 1/3 of the salaries for office manager, (2) utility billing clerks, and customer service representative.

<sup>e</sup>Self insurance started May, 2001.



CITY OF KIRKWOOD, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (CONTINUED)  
LAST SIX FISCAL YEARS

Function/Program	Fiscal Year Ended March 31,					
	2000	2001	2002	2003	2004	2005
General Government:						
Vehicles.....	2	2	2	2	2	2
Purchasing:						
Delivery Truck.....	1	1	1	1	1	1
Engineering:						
Vehicles.....	5	5	5	5	3	3
Building Maintenance:						
Vehicles.....	2	2	2	2	2	2
Building commissioner:						
Vehicles.....	4	4	4	4	5	5
Police:						
Stations.....	1	1	1	1	1	1
Vehicles.....	26	26	25	32	27	31
Fire:						
Stations.....	3	3	3	3	3	3
Vehicles.....						
Pumpers.....	3	3	3	4	3	3
Aerial Ladder.....	1	1	2	2	2	2
Ambulance/Rescue.....	2	2	2	2	2	2
Command Vehicles.....	3	4	4	4	4	4
Streets:						
Miles of Streets.....	109	109	109	109	109	109
Miles of Sidewalks.....	111	111	111	111	111	111
Vehicles.....	23	25	25	21	25	25
Parks and Recreation:						
Acres of Parks.....	305	305	305	305	305	305
Community Center.....	1	1	1	1	1	1
Outdoor Amphitheater.....	1	1	1	1	1	1
Aquatic Facility.....	1	1	1	1	1	1
Enclosed Ice Rink.....	1	1	1	1	1	1
Ball Diamonds.....	8	8	8	8	8	8
Tennis Courts.....	10	10	10	10	10	10
Handball Courts.....	2	2	2	2	2	2
Vehicles.....	12	11	12	12	12	12

CITY OF KIRKWOOD, MISSOURI

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST SIX FISCAL YEARS

Function/Program	Fiscal Year Ended March 31,					
	2000	2001	2002	2003	2004	2005
Electric:						
Substations.....	6	6	6	6	6	6
Miles of Line.....	127	127	127	127	132	132
Street Lights.....	2,316	2,316	2,316	2,316	2,316	2,316
Traffic Lights.....	99	99	99	121	121	121
Vehicles.....	13	13	13	10	13	13
Water:						
Water Treatment Plant.....	1	1	1	1	1	1
Miles of Water Line.....	135	135	135	135	135	135
Vehicles.....	11	11	11	11	11	15
Sanitation:						
Collection Trucks.....	8	8	8	8	8	8
Other Vehicles.....	4	4	4	4	4	4
Recycling Equipment.....	4	4	4	4	4	4
Worker Compensation:						
Vehicles.....	-	-	1	1	1	1
Fleet Services:						
Vehicles.....	3	4	4	4	4	4

Source: Various city departments