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1-1-2005

## Comprehensive Annual Financial Report, 2004

City of Maplewood

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***City of Maplewood, Missouri***

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended June 30, 2004**

***City of Maplewood, Missouri***

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Submitted By - City Manager - Martin J. Corcoran**

**Year Ended June 30, 2004**

# City of Maplewood, Missouri

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2004

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# City of Maplewood, Missouri

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

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**City of Maplewood, Missouri**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**June 30, 2004**

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**INTRODUCTORY SECTION**

October 18, 2004

Honorable Mayor and Members of the City Council  
City of Maplewood, Missouri



▼  
Office  
of the  
City Manager

The Comprehensive Annual Financial Report of the City of Maplewood, Missouri for the fiscal year ended June 30, 2004, is submitted herewith. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City. The City maintains an adequate system of internal control to facilitate the fair presentation of the financial statements, supporting schedules and statistical tables in this annual financial report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This report is presented for the purpose of providing the Council, the Administration, and the citizens of Maplewood with a detailed and complete report of financial activity during the fiscal year ended June 30, 2004. The comprehensive annual financial report is presented in five sections: introductory, financial, statistical, compliance and internal control, and single audit. The introductory section includes this transmittal letter, the City's GFOA Certificate for 2003, the City's organizational chart and a list of the City's officials. The financial section includes the basic financial statements and schedules (as listed in the contents), as well as the independent auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The compliance and internal control section includes a report on the City's compliance with prescribed procedures and internal control structure. The single audit section includes the required reports and schedules related to federal awards received by the City.

The City provides a full range of services. These services include police, fire protection and emergency medical services, sanitation services, the construction and maintenance of streets and infrastructure, parks, and recreational activities events. In addition to general government activities, the governing body exercises, or has the ability to exercise, oversight of the Policemen's and Firemen's Retirement Fund (Pension Trust Fund), therefore, these activities are included in the reporting entity. However, the Maplewood Public Library, the Maplewood-Richmond Heights School District, Special School District of St. Louis County, St. Louis Community College, Metropolitan St. Louis School District and Bi-State Development Agency Transit System have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

Generally accepted accounting principles requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of MD&A. This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.



## **ECONOMIC CONDITION AND OUTLOOK.**

The City of Maplewood is located in the south central portion of the St. Louis metropolitan area in St. Louis County, Missouri. During this year, the City continues to attract several new businesses while retaining the majority of the existing businesses. Interest in locating within Maplewood's central business district has increase significantly. The value of property within the City has continued to increase and its business district been characterized favorably by numerous newspaper and magazine articles.

Maplewood has continued to experience difficult financial times since November, 2000, when the City of Maplewood lost the K-Mart in Deer Creek Center and the approximately \$400,000 the store contributed to the City's general fund. On top of K-Mart closing its store, revenues have declined from the slow down of the economy.

However, the new Wal-Mart and Sam's Wholesale Club stores opened for business in October of 2004 and should generate approximately \$2,000,000 in revenues to the City in the first year of operation and a Lowe's home improvement center will be open by the summer of 2005 which will provide additional revenue for the City. Schlafly Bottleworks is thriving and serves as an anchor for the eastern end of the City's central business district. The central business district is a destination retail area and a dining spot for patrons throughout the St. Louis area. Maplewood's first upscale restaurant, Monarch Restaurant, opened in the Spring of 2003 with rave reviews and a second upscale restaurant, Arthur Clay's, opened in December of 2003. Lastly, Maplewood continues to attract numerous quality antique shops that attract visitors from throughout the St. Louis area.

## **MAJOR INITIATIVES.**

### **The Following Initiatives are Anticipated For the Year.**

- The City has submitted an application to the Municipal Park Grant Commission for construction of a restroom building and shelter for Junior High Park. Feedback is expected from that agency in January of 2005.
- The City has received a grant of \$44,708 from the U.S. Department of Housing and Urban Development to build a playground in Lindbergh Park. The playground was completed in the fall of 2004.
- The City expects to significantly increase the number of streets reconstructed with the expected revenue increase generated from the opening of the Sam's Wholesale Club and Wal-Mart stores. Funds are derived from the Half Cent Capital Improvement Sales Tax approved in 1994.
- The Cities of Maplewood, Richmond Heights and Clayton continue to look to build partnerships and consolidate services to serve residents from all cities. It is anticipated that new partnerships, which are intended to increase and improve services to residents, while saving money for all cities involved will be coming in the future.

**For the Future.** The City of Maplewood must continue to focus its economic development efforts on retaining its economic base by helping businesses expand to their full potential while at the same time continue to recruit new businesses, both large and small, to start or relocate in the community.

The advantage of the City's strategic location will be enhanced with the opening of the MetroLink light rail transit extension which is scheduled to open in 2006. Future planning will investigate transportation oriented development that will improve the quality of life for our residents and provide additional revenues for City operations. The Mayor, City Council and city staff will continue to work with the large retailers (Wal-Mart, Sam's Wholesale Club, Schlafly Bottleworks and Lowe's) and be involved with making decisions regarding the construction operation of the proposed and existing facilities to ensure quality and lasting developments that will anchor the City's economy, increase the values of properties throughout the City, improve the aesthetics of the community and make Maplewood a premier address within St. Louis County.

### **DEPARTMENT FOCUS.**

The City of Maplewood provides its services through four major departments: Fire, Parks and Recreation, Police, and Public Works. In each department, functions are divided into divisions, each of which is responsible for providing specialized services to Maplewood citizens. Overall coordination of all City activities and finances rests with the Executive Department, administered by the City Manager.

**General Government.** This area combines the functions of the Executive, Legislative, and Legal Departments. While the functions of each department are autonomous, they are coordinated under the supervision of the City Manager. The Executive Department is headed by the City Manager who is responsible for the efficient and effective delivery of services for all City departments. In addition to finance and personnel administration, department personnel serve as staff support for many boards and commissions. The City Manager coordinates citizen complaints, issue and policy research, presentation of the annual budget and financial report, coordinates the City's annual financial audit and serves as staff for the City Council. The Assistant City Manager serves as staff for the City's Plan and Zoning Commission, Board of Adjustment, Block Party Committee, Safety Committee and Special Business District Committee. The Assistant City Manager is also responsible for the dispersal of public information via the City's newsletter and website. The Legislative Department, headed by the City Clerk, coordinates all business licensing activities, government reports and maintains all City records. The City Clerk's office continues to implement several changes to make the collection process more efficient and effective. The Legal Department handles all traffic violations, court fines and forfeitures, provides legal counsel and defense to the City of Maplewood and its officials, and conducts municipal court proceedings three times monthly.

**Department of Public Safety.** The Department of Public Safety has as its responsibility the administration and management of the Fire and Police Departments in the City of Maplewood. The mission of the Department of Public Safety is to insure that the Fire and Police Departments have the proper equipment, supplies and manpower to carry out their missions as described below.

**Police Department.** The Maplewood Police Department has as its primary responsibilities all crime prevention and law enforcement activities of emergency and non-emergency nature in the City of Maplewood. This department is also responsible for several direct services to citizens in public safety, crime prevention and records information.

The position of Code Enforcement has been established to handle code enforcement in housing, environmental and ordinance violations. This officer works closely with the building inspectors and Fire Marshal. With the Environmental Officer assigned to this enforcement, it frees patrol officers to handle other duties.

A department Juvenile Officer has been established to conduct follow-up investigations involving juveniles as well as keeping departmental records on these investigations. This officer works closely with school officials and has been provided an office at the high school and also has daily contact in all schools located in the City of Maplewood.

The philosophy of Community Oriented Policing has been adopted by the Maplewood Police Department. This requires officers to work closely with the residential and business communities in a policing effort. A citizens committee has been established to assist the Police Department with its community policing efforts.

The department has established programs in the community to improve the safety and quality of life for all citizens of Maplewood. Police Department programs include D.A.R.E. (Drug Abuse Resistance Education) which is taught in our schools and Neighborhood and Business Watch Programs which include a twenty-four (24) hour a day Crime Hotline. The Crime Hotline phone is recorded and all information is kept confidential. The department's detective bureau follows up on all calls. A police substation has also been established and is fully operational at the eastern edge of the City.

**Fire Department.** The Maplewood Fire Department takes pride in the fact that it has a Class 4 Insurance Service Organization (ISO) fire rating, the highest rating currently granted to most municipal fire departments and fire districts in the metropolitan St. Louis area. The high rating results in significantly reduced costs for fire insurance to businesses and residents alike. In addition to expertise in fire suppression (every fire fighter is required to be certified by the St. Louis County Fire Standards Commission), all fire personnel are trained as emergency medical technicians and/or paramedics to provide rapid response and first-responder emergency medical service. The department employs a full time fire prevention specialist whose duty is to ensure city-wide adherence to the City's fire safety codes. Three of the department's personnel are trained fire investigators who are certified by the State of Missouri to investigate fires whose origin may be suspect and two members are certified CPR instructors. The Fire Department conducts fire safety inspections for commercial and multi family properties and offers advice to residence on the best locations for smoke detectors within the home.

**Parks and Recreation Department.** This department was merged with the Parks & Recreation Department of the City of Richmond Heights in January, 2002. The department offers a wide variety of recreational activities for residents of all ages. Program brochures are prepared three times a year listing the various scheduled activities and delivered to the homes of residents. Senior citizens or any person with a certified disability may use a daily free van service to go to doctor's appointments as well as grocery and shopping trips. In addition, the combined Parks and Recreation Department operates two community centers, indoor and outdoor swimming pools and nine city parks. The community centers offer local groups and citizens a place to meet and exercise. The Maplewood Community Center also serves as a site for the St. Louis County Older Residents Program, which provides a variety of services for senior citizens in Maplewood and nearby communities.

**Public Works Department.** The Maplewood Public Works Department provides a variety of services. This department has three divisions: maintenance, building, and administration which are responsible for coordinating all construction projects relating to streets, sidewalks, parking lots, and other City-owned facilities, maintenance of all public facilities and inspection of all buildings and building permits.

The Maintenance Division is responsible for routine street maintenance, street sweeping, snow removal, street signage, street lighting in the central business district and sewer lateral repair. In addition, the division maintains all City-owned buildings and grounds including the City Hall property, the Maplewood Community Center, the Maplewood Family Aquatic Center and municipal parking lots. The division is also responsible for the maintenance of all parks and trees in the tree lawn areas between sidewalks and streets in commercial and residential areas.

The Building Division reviews plans, issues building permits and inspects all new construction, additions and renovations. In addition, the division conducts all housing and commercial occupancy inspections.

The Administration Division issues occupancy permits, coordinates the repair of sewer and water lines and supervises the reconstruction of streets and other public improvements.

## **FINANCIAL INFORMATION.**

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

**Budgeting City Services.** The City's fiscal year runs from July 1 to June 30 annually. Every spring, the City Manager presents the City Council with a comprehensive budget request detailing the financial requirements of each department and the priorities for each department. After careful review, the City Council adopts the budget by ordinance. It should be noted that the City of Maplewood is required by Missouri statute to present and maintain a balanced budget.

**General Governmental Functions.** General governmental fund revenues, which include the general, special revenue, capital project and debt service fund revenues for the fiscal year ended June 30, 2004, totaled \$9,375,250. The revenue from various sources is as follows:

	<u>Fiscal Year Ended June 30, 2004</u>	
	<u>Amount</u>	<u>Percent</u>
Taxes.....	\$ 6,381,848	68.06 %
Charges for services.....	1,474,292	15.73 %
Operating grants and contributions.....	16,639	0.18 %
Capital grants and contributions .....	1,451,175	15.48 %
Interest.....	17,987	0.19 %
Proceeds from sale of capital assets.....	33,309	0.36 %
Total.....	<u>\$ 9,375,250</u>	<u>100.00 %</u>

Assessed valuation real estate at June 30, 2004 was \$103,382,547. The assessment ratio for residential property is 48% and the ratio for commercial property and utilities is 33%. The general fund tax rate is \$.542 per \$100 of assessed valuation and is used to partially finance the operations of the general fund. Current tax collections, as made for the City through facilities of St. Louis County, were 90.04% of the tax levy as of December 31, 2004.

**The Total Fund Balance.** The total governmental fund balance as of June 30, 2004, was \$1,495,210.

**Pension Trust Fund Operations.** The Pension Trust Fund is a contributory defined benefit plan covering certain police officers and firefighters of the City.

An employee is eligible to participate in the Pension Trust Fund if the employee is a full-time police officer or firefighter for the City. All other full-time employees of the City are covered by the Missouri Local Government Employees Retirement System (LAGERS), a statewide pension plan.

Contributions to the Pension Trust Fund are made by the City and the participants of the Pension Trust Fund. The City levies a tax rate of \$.235 per \$100 of assessed valuation and contributes the tax receipts to the Pension Trust Fund. The participants make monthly contributions of seven percent of their base salary to the Pension Trust Fund. The City contributed \$255,490 and employees contributed \$125,744 for the fiscal year ended June 30, 2004.

According to the last actuarial study of the Pension Trust Fund as of June 30, 2004, net assets available for plan benefits amounted to \$9,016,228.

**Debt Administration.** As of June 30, 2004, the City had a number of debt issues outstanding, totaling \$13,422,572. These issues included \$3,280,000 of the Maplewood Square Redevelopment Project Area bond payable, \$4,725,000 of South Big Bend Redevelopment Project Area note payable, \$70,037 of Lease Participation Certificates payable through the City of Maplewood, Missouri Public Building Corporation, \$5,095,000 of General Obligation Bonds and a net pension obligation of \$252,535.

**Cash Management.** Cash temporarily idle during the year was invested in interest bearing certificates of deposit and checking accounts. The City earned interest of \$17,987 on all governmental fund type investments for the fiscal year ended June 30, 2004.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. All collateral on deposits was held either by the City, its agent or a bank's trust department in the City's name.

**Insurance Management.** The City recognized the need to maintain controls in the insurance area while maintaining appropriate and adequate levels of coverage. Therefore, the City is a member of the St. Louis Area Insurance Trust and the Property and Casualty Trust of St. Louis. These self-insurance groups consists of twenty-one cities each. The goals include controlling losses through active safety and training programs, specified membership underwriting guidelines, claims reduction, and increased awareness of loss control by members and City employees. Risk is retained by these insurance groups. The cost of claims is recognized at the time the liability is reported. At this time, there are no known significant claims incurred but not reported. Through implementation of policies established by the Board of Directors of each Trust, the loss experience of the these cities has been excellent.

#### **OTHER INFORMATION.**

**Independent Audit.** State statute and the City Charter requires that an independent audit of all books of City accounts be conducted annually by an independent certified public accountant selected by the City Council. This policy has been complied with, and the independent auditors' report is included in the financial section of this report.

**Award.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Maplewood for its comprehensive annual financial report for the fiscal year ended June 30, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City received the Certificate of Achievement for the eleventh time in 2003. We believe our CAFR continues to conform to the Certificate of Achievement program requirements and we are submitting our CAFR for the current year to the GFOA.

**Acknowledgments.** The preparation of this report could not have been accomplished without the loyal and dedicated help of the entire staff of the City Manager's Office. I would like to express my special appreciation to the Assistant City Manager, Anthony Traxler, who expended a great deal of time and effort in the successful preparation of this document. I would like also to thank the Mayor and the City Council for their combined interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

Martin J. Corcoran  
City Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Maplewood,  
Missouri

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

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*

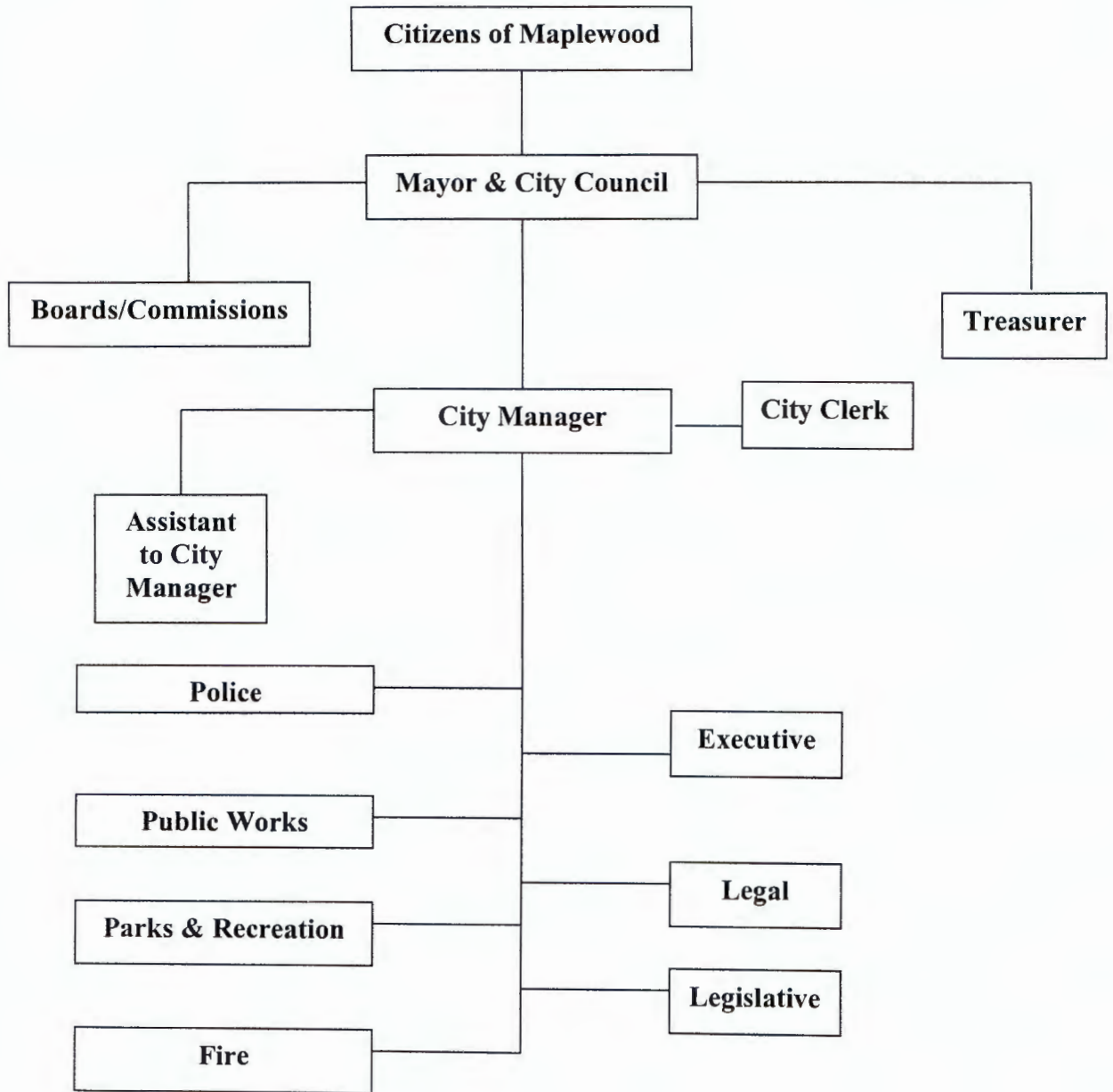
President

*Jeffrey R. Enos*

Executive Director



**CITY OF MAPLEWOOD, MISSOURI**  
Organizational Chart



**CITY OF MAPLEWOOD, MISSOURI**

**MAPLEWOOD CITY OFFICIALS**

**June 30, 2004**

Elected Officials

Mayor	Mark Langston
Councilmembers, Ward I	Karen Wood Dodi Brown
Councilmembers, Ward II	Timothy Dunn Fred Wolf
Councilmembers, Ward III	Barry Greenberg Dan Mosby

Administrative Staff

City Manager	Martin J. Corcoran
Assistant City Manager/City Clerk	Anthony J. Traxler
Public Safety Director	Jim White
Assistant Fire Chief	Charlie Granda
Director of Public Works	John Openlander
Director of Parks & Recreation	Teresa Proebsting
City Attorney	Craig Biesterfeld
City Prosecutor	Matthew J. Rossiter
Municipal Judge	Doug Sidel
Court Clerk	Ruth Wisnewski

**FINANCIAL SECTION**

**INDEPENDENT AUDITORS' REPORT**

The Honorable Mayor, Members of the  
City Council and City Manager  
*City of Maplewood, Missouri*

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the *City of Maplewood, Missouri*, as of and for the year ended June 30, 2004, which collectively comprise the City of Maplewood, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the *City of Maplewood, Missouri* as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in note 1, during fiscal year 2004, the City of Maplewood, Missouri, implemented a new financial reporting model, as required by the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

The Management's Discussion and Analysis on pages 3 through 8 and the Budgetary Comparison Information on pages 48 and 49, 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 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.

In accordance with Government Auditing Standards, we have also issued our report dated October 18, 2004, on our consideration of the *City of Maplewood, Missouri's* internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

In accordance with OMB Circular A-133, we have also issued our reported dated October 18, 2004, on our consideration of the *City of Maplewood, Missouri's* compliance with requirements applicable to each major federal program and on internal control over compliance with certain provisions of the major federal programs. That report is an integral part of our audit performed in accordance with OMB Circular A-133 and should be read in conjunction with this report in considering the results of our audits.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Maplewood, Missouri's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the *City of Maplewood, Missouri*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the basic financial statements of *City of Maplewood, Missouri*. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Maplewood, Missouri's basic financial statements. The introductory section and statistical section 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.

UHY<sup>LLP</sup>

St. Louis, Missouri  
October 18, 2004

vacation leave).

The government-wide financial statements report functions of the City that are generally 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). Governmental activities for the City include general government, public safety, public works, planning, parks and recreation, community development, judicial, and interest and fiscal charges related to the City's debt. Please note that the City of Maplewood currently has no business type activities.

**THE STATEMENT OF NET ASSETS  
JUNE 30, 2004**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Industrial Development Authority</u>
<b>Assets:</b>		
Cash and cash equivalents.....	\$ 2,378,255	\$ 12,219
Receivables, net		
Taxes.....	294,922	-
Licenses and permits.....	202,540	-
Accrued interest.....	556	-
Prepays and other assets.....	52,376	-
Restricted cash.....	849,108	-
Capital assets, net.....	<u>15,594,179</u>	<u>-</u>
Total assets.....	<u>19,371,936</u>	<u>12,219</u>
<b>Liabilities:</b>		
Accounts payable.....	1,904,040	-
Accrued salaries and other benefits.....	308,854	-
Accrued interest payable.....	151,333	-
Other liabilities.....	35,596	-
Long-term liabilities:		
Due within one year.....	902,792	-
Due in more than one year.....	<u>12,519,780</u>	<u>-</u>
Total liabilities.....	<u>15,822,395</u>	<u>-</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	2,424,143	-
Restricted:		
General fund.....	698,346	12,219
Special revenue funds.....	834,733	-
Capital projects.....	(20,000)	-
Debt service.....	1,122,200	-
Unrestricted.....	<u>(1,509,881)</u>	<u>-</u>
Total net assets.....	<u>\$ 3,549,541</u>	<u>\$ 12,219</u>

## **FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the City's most significant funds. 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 uses fund accounting to insure compliance with finance related legal requirements. The funds are divided into two categories: governmental funds and fiduciary funds.

### **GOVERNMENTAL FUNDS**

Most of the City's basic services are included in the governmental funds. These funds are used to accomplish much of the same functions reported as governmental activities in the government-wide financial statements. These fund statements measure current financial resources and uses or in essence near term inflows and outflows of expendable resources as well as balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating governments near term financial requirements.

Because the focus of governmental funds is narrower than that of governmental-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 statement. By doing so, readers may better understand the long term impact of the government's near term financial decisions. Both the government fund balance sheet and the government fund statement of revenues, expenditures and changes in fund balance, provide a reconciliation to facilitate this comparison between government funds and governmental activities.

### **FIDUCIARY FUNDS**

These statements account for activity of funds that are held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resource of these funds are not available to support the City's own programs and do not represent discretionary assets of the City.

The City is a trustee or fiduciary for its public safety employees pension plan. The City is responsible that the assets reported in this fund are used for their intended purpose. The City's fiduciary activities are reported in a separate statement of fiduciary net assets and statement of changes in fiduciary net assets.

The fiduciary fund statements can be found prior to the notes to the basic financial statements.

### **NOTES TO THE BASIC FINANCIAL STATEMENT**

The notes provide additional information that are essential to a full understanding of the data provided in the governmental-wide fund financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also contains certain required supplementary information.

## **STATISTICAL INFORMATION**

The statistical section follows the required supplementary section and includes selected financial and demographic information.

## **COMPLIANCE AND INTERNAL CONTROL**

This section follows the statistical information and includes the independent auditors' report on the City's compliance with prescribed procedures and internal control structure.

## **SINGLE AUDIT**

This section follows the compliance and internal control section and includes the independent auditors' report and schedule related to federal awards received by the City.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This is the first year that the City has presented its financial statements under the new reporting model required by the Government Accounting Standards Board (GASB) Statement Number 34. Because this reporting model significantly changes both the recording and presentation of financial data, the City has not restated prior fiscal year amounts to provide comparative information. However, comparative analysis of government-wide information will be presented in future years when prior year information is available.

## **GOVERNMENTAL FUNDS FINANCIAL ANALYSIS**

At the end of the current fiscal year, the governmental funds reported combined fund balance of \$1,495,210 with a net reduction in total fund balance of \$418,714. The fund balance of the general fund decreased \$602,846 during the fiscal year with the decrease due to changes in accounting policy related to GASB Statement Number 34 as well as cash flow issues that the City has incurred over the past several years. At this time, the City of Maplewood does not maintain a healthy operating reserve. With the opening of new retail projects along Hanley Road (Wal-Mart and Sam's Club in October of 2004 and Lowe's in June of 2005), this problem will be alleviated in the coming years.

## **CAPITAL ASSETS**

The City has invested \$15,594,179 in capital assets, net of accumulated depreciation. This investment in capital assets includes land, buildings, park facilities, roads, sidewalks, bridges, vehicles, and machinery and equipment. This amount represents a net increase for the current fiscal year including additions and deductions of \$1,240,181. The majority of the increase in capital assets was due to changes in accounting policy related to GASB Statement Number 34.

Additional information on capital assets can be found in the notes to the basic financial statements.



**LONG TERM DEBT**

At the end of the fiscal year, the City had outstanding long term debt obligations of \$13,422,572, including \$252,535 of net pension obligation. Further information regarding debt may be found in the notes to the basic financial statements.

In fiscal year 2005, the City plans to issue Tax Increment Financing Bonds for the South of Folk Redevelopment Area that includes a Lowe's Hardware store.

**OUTSTANDING LONG TERM DEBT OBLIGATIONS  
JUNE 30, 2004**

	July 1, 2003	Additions	Reductions	June 30, 2004
Notes Payable:				
South Big Bend Redevelopment Project Area note payable.....	\$ 4,725,000	\$ -	\$ -	\$ 4,725,000
	<u>4,725,000</u>	<u>-</u>	<u>-</u>	<u>4,725,000</u>
Bonds Payable:				
General Obligation Bonds, Series 2001.....	5,290,000	-	195,000	5,095,000
Maplewood Square Redevelopment Project Area Refunding Revenue Bonds, Series 1999.....	3,535,000	-	255,000	3,280,000
City of Maplewood, Missouri Public Building Corporation: Lease Participation Certificates, Series 2000 C.....	129,749	-	59,712	70,037
	<u>8,954,749</u>	<u>-</u>	<u>509,712</u>	<u>8,445,037</u>
Net Pension Obligation.....	215,139	37,396	-	252,535
	<u>\$ 13,894,888</u>	<u>\$ 37,396</u>	<u>\$ 509,712</u>	<u>\$ 13,422,572</u>

**BUDGET VARIANCES**

It is the City's policy to allow departments to carry forward the cost of items that are encumbered at fiscal year end and will be expended in the subsequent fiscal year. The fiscal year 2004 budget for governmental funds includes \$1,159,169 which was carried forward from fiscal year 2003. The general fund ended fiscal year 2004 with an overall favorable budget variance.

**ECONOMIC OUTLOOK**

The City revenues have continued a five year decline which has resulted in a layoff of employees and a decrease in services to our residents. Revenues from decreased sales tax, low interest rates and rising personnel and benefit costs are the major factors affecting the 2005 budget. In fiscal year 2005, unreserved fund balances are projected to increase significantly due to the opening of new retail stores along Hanley Road.

In April 2003, residents voted to adopt a Fire Service Sales Tax with collections beginning January 1, 2004. These revenues allowed the City to provide employees with pay raises and begin the process to purchase a new fire truck.

**FINANCIAL CONTACTS**

This financial report is designed to provide the reader a general overview of the City of Maplewood's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager, City of Maplewood, 7601 Manchester Ave., Maplewood, MO 63143.

***City of Maplewood, Missouri***

Exhibit 1

**STATEMENT OF NET ASSETS**

**June 30, 2004**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Industrial Development Authority</u>
<b>Assets:</b>		
Cash and cash equivalents.....	\$ 2,378,255	\$ 12,219
Receivables, net		
Taxes.....	294,922	-
Licenses and permits.....	202,540	-
Accrued interest.....	556	-
Prepays and other assets.....	52,376	-
Restricted cash and cash equivalents.....	849,108	-
Capital assets, net.....	<u>15,594,179</u>	-
Total assets.....	<u>19,371,936</u>	<u>12,219</u>
<b>Liabilities:</b>		
Accounts payable.....	1,904,040	-
Accrued salaries and other benefits.....	308,854	-
Accrued interest payable.....	151,333	-
Bail bonds payable.....	35,596	-
Long-term liabilities:		
Due within one year.....	902,792	-
Due in more than one year.....	<u>12,519,780</u>	-
Total liabilities.....	<u>15,822,395</u>	-
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	2,424,143	-
Restricted:		
General fund.....	698,346	12,219
Special revenue funds.....	834,733	-
Capital projects.....	(20,000)	-
Debt service.....	1,122,200	-
Unrestricted.....	<u>(1,509,881)</u>	-
Total net assets.....	<u>\$ 3,549,541</u>	<u>\$ 12,219</u>

*The accompanying notes are an integral  
part of the financial statements.*

# City of Maplewood, Missouri

Exhibit 2

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit CCDC
Primary Government:						
Governmental activities:						
General government	\$ 940,449	\$ 724,390	\$ -	\$ -	\$ (216,059)	\$ -
Parks and recreation	603,031	-	-	60,000	(543,031)	-
Judicial	447,076	464,900	-	-	17,824	-
Planning	38,208	-	-	-	(38,208)	-
Public works	1,980,799	157,413	-	1,351,831	(471,555)	-
Public safety	2,995,812	81,895	4,329	39,344	(2,870,244)	-
Community development	44,811	45,694	12,310	-	13,193	-
Interest and fiscal charges	<u>1,148,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,148,557)</u>	<u>-</u>
Total governmental activities - primary government	<u>\$ 8,198,743</u>	<u>\$ 1,474,292</u>	<u>\$ 16,639</u>	<u>\$ 1,451,175</u>	<u>(5,256,637)</u>	<u>-</u>
General revenues:						
Taxes:						
Property taxes, levied for general purpose					1,175,826	-
Property taxes, levied for debt service					622,575	-
Sales and local taxes					3,135,659	-
Gross receipts taxes (includes franchise tax)					1,378,805	-
Miscellaneous taxes (includes sewer lateral)					68,983	-
Unrestricted interest earnings					17,987	78
Sale of capital assets					<u>33,309</u>	<u>-</u>
Total general revenues					<u>6,433,144</u>	<u>78</u>
Change in net assets					<u>1,176,507</u>	<u>78</u>
Net assets - beginning of year					<u>2,373,034</u>	<u>12,141</u>
Net assets - end of year					<u>\$ 3,549,541</u>	<u>\$ 12,219</u>

*The accompanying notes are an integral part of the financial statements.*

**City of Maplewood, Missouri**

Exhibit 3

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**June 30, 2004**

**ASSETS**

	<u>Major Funds</u>					<u>Nonmajor</u>	<u>Total</u>	
	<u>General</u>	<u>Deer Creek</u>		<u>1/2 Cent Capital</u>	<u>Special Capital</u>	<u>Debt</u>		<u>Other</u>
		<u>Special Allocation</u>	<u>Improvement</u>	<u>Project Imp.</u>	<u>Service</u>	<u>Governmental</u>		<u>Governmental</u>
<b>Assets:</b>								
Cash and cash equivalents..	\$ 347,214	\$ 400,414	\$ 494,908	\$ 70,591	\$ -	\$ 1,065,128	\$ 2,378,255	
Receivables:								
Taxes.....	177,907	-	34,729	3,540	-	78,746	294,922	
Licenses and permits.....	202,540	-	-	-	-	-	202,540	
Accrued interest.....	556	-	-	-	-	-	556	
Prepays and other assets....	52,376	-	-	-	-	-	52,376	
Due from other funds.....	1,870,856	623,207	-	283,195	647,002	50,699	3,474,959	
Restricted cash and cash equivalents.....	373,910	-	-	-	475,198	-	849,108	
<b>Total Assets.....</b>	<b>\$ 3,025,359</b>	<b>\$ 1,023,621</b>	<b>\$ 529,637</b>	<b>\$ 357,326</b>	<b>\$ 1,122,200</b>	<b>\$ 1,194,573</b>	<b>\$ 7,252,716</b>	

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

**City of Maplewood, Missouri**

Exhibit 3, (Continued)

**BALANCE SHEET - GOVERNMENTAL FUNDS**

June 30, 2004

**LIABILITIES AND FUND BALANCES**

	<u>Major Funds</u>					<u>Nonmajor</u>	<u>Total</u>
						<u>Funds</u>	
	<u>General</u>	<u>Deer Creek Special Allocation</u>	<u>1/2 Cent Capital Improvement</u>	<u>Special Capital Project Imp.</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	
<b>Liabilities:</b>							
Accounts payable .....	\$ 635,193	\$ 535,388	\$ (30,264)	\$ 552,676	\$ -	\$ 211,047	\$ 1,904,040
Bail bonds payable.....	35,596	-	-	-	-	-	35,596
Accrued salaries and wages	90,376	-	-	-	-	-	90,376
Net pension obligation.....	252,535	-	-	-	-	-	252,535
Due to other funds.....	<u>2,090,308</u>	<u>468,814</u>	<u>283,580</u>	<u>-</u>	<u>-</u>	<u>632,257</u>	<u>3,474,959</u>
Total liabilities.....	<u>3,104,008</u>	<u>1,004,202</u>	<u>253,316</u>	<u>552,676</u>	<u>-</u>	<u>843,304</u>	<u>5,757,506</u>
<b>Fund Balances:</b>							
Fund balances:							
Reserved for:							
Encumbrances.....	324,436	425	218,232	30,504	-	585,572	1,159,169
Community							
Development.....	272,407	-	-	-	-	-	272,407
Employee Welfare.....	101,503	-	-	-	-	-	101,503
Unreserved.....	<u>(776,995)</u>	<u>18,994</u>	<u>58,089</u>	<u>(225,854)</u>	<u>1,122,200</u>	<u>(234,303)</u>	<u>(37,869)</u>
Total fund balances....	<u>(78,649)</u>	<u>19,419</u>	<u>276,321</u>	<u>(195,350)</u>	<u>1,122,200</u>	<u>351,269</u>	<u>1,495,210</u>
<b>Total Liabilities and Fund Balances.....</b>	<u>\$ 3,025,359</u>	<u>\$ 1,023,621</u>	<u>\$ 529,637</u>	<u>\$ 357,326</u>	<u>\$ 1,122,200</u>	<u>\$ 1,194,573</u>	<u>\$ 7,252,716</u>

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

**City of Maplewood, Missouri**

Exhibit 4

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

**June 30, 2004**

Total fund balances - governmental funds - balance sheet	<b>\$ 1,495,210</b>
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 fund financial statements. This is amount by which capital outlays (\$31,866,011) exceed accumulated depreciation (\$16,271,832).	<b>15,594,179</b>
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 and accrued compensated absences are not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net assets. Balances as of June 30, 2004 are:	
Accrued compensated absences, vacation and compensatory time-off	<b>(218,478)</b>
Accrued interest on long-term debt	<b>(151,333)</b>
Bonds, notes payable and pension and lease obligations outstanding (excludes pension benefit obligation of \$252,535)	<b><u>(13,170,037)</u></b>
Total net assets - governmental activities - statement of net assets	<b><u>\$ 3,549,541</u></b>

*The accompanying notes are an integral part of the financial statements.*

# City of Maplewood, Missouri

Exhibit 5

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2004

	Major Funds					Nonmajor Funds	Total Governmental Funds
	General	Deer Creek Special Allocation	1/2 Cent Capital Improvement	Special Capital Project Imp.	Debt Service	Other Governmental Funds	
<b>Revenues:</b>							
Taxes.....	\$ 3,824,836	\$ 147,066	\$ 430,078	\$ 329,655	\$ -	\$ 1,650,213	\$ 6,381,848
Licenses and permits.....	652,266	-	-	-	-	-	652,266
Intergovernmental.....	55,983	-	1,351,831	60,000	-	-	1,467,814
Charges for services.....	335,721	-	-	21,110	-	295	357,126
Fines and forfeitures.....	464,900	-	-	-	-	-	464,900
Interest.....	4,255	2,320	2,192	187	1,912	7,121	17,987
<b>Total revenues.....</b>	<b>5,337,961</b>	<b>149,386</b>	<b>1,784,101</b>	<b>410,952</b>	<b>1,912</b>	<b>1,657,629</b>	<b>9,341,941</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government.....	1,252,915	4,300	119	9,517	37,396	-	1,304,247
Public safety.....	2,958,416	-	-	-	-	-	2,958,416
Highways and streets.....	1,015,328	-	-	-	-	-	1,015,328
Sanitation.....	23,750	-	-	-	-	22,805	46,555
Culture and recreation.....	-	-	-	-	-	473,372	473,372
Community development.....	44,811	-	-	-	-	-	44,811
Capital outlay.....	169,184	-	1,778,545	496,569	-	-	2,444,298
<b>Debt service:</b>							
Principal retirement.....	509,712	-	-	-	-	-	509,712
Interest and fiscal charges.....	-	-	-	-	997,225	-	997,225
<b>Total expenditures.....</b>	<b>5,974,116</b>	<b>4,300</b>	<b>1,778,664</b>	<b>506,086</b>	<b>1,034,621</b>	<b>496,177</b>	<b>9,793,964</b>
<b>Excess (Deficiency) of Revenues</b>							
Over (Under) Expenditures.....	(636,155)	145,086	5,437	(95,134)	(1,032,709)	1,161,452	(452,023)
<b>Other Financing Sources (Uses):</b>							
Operating transfers in.....	-	-	-	-	1,688,409	-	1,688,409
Operating transfers out.....	-	-	-	(65,605)	-	(1,622,804)	(1,688,409)
Proceeds from sale of property.....	33,309	-	-	-	-	-	33,309
<b>Total other financing</b>							
sources (uses).....	33,309	-	-	(65,605)	1,688,409	(1,622,804)	33,309
<b>Net Change in Fund Balances.....</b>	<b>(602,846)</b>	<b>145,086</b>	<b>5,437</b>	<b>(160,739)</b>	<b>655,700</b>	<b>(461,352)</b>	<b>(418,714)</b>
Fund Balances, Beginning of Year.....	524,197	(125,667)	270,884	(34,611)	466,500	812,621	1,913,924
<b>Fund Balances, End of Year.....</b>	<b>\$ (78,649)</b>	<b>\$ 19,419</b>	<b>\$ 276,321</b>	<b>\$ (195,350)</b>	<b>\$ 1,122,200</b>	<b>\$ 351,269</b>	<b>\$ 1,495,210</b>

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



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

**Year Ended June 30, 2004**

Net change in fund balances - governmental funds - statement of revenues, expenditures, and changes in fund balances.....		\$	(418,714)
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 the cost of those assets, meeting the capitalization threshold, is allocated over their estimated useful lives and recorded as depreciation expense. This is the amount by which capital outlays, meeting the capitalization threshold, exceeded depreciation expense in the current period.....			1,240,181
Interest on long-term debt and accrued compensated absences are not accrued in governmental funds, but rather is recognized as an expenditure when due. This is the amount by which interest expense reported in the statement of activities exceeded that reported in the governmental funds statement of revenues, expenditures and changes in fund balances.....			(151,333)
Bond proceeds are reported as financing sources in governmental funds financial statements and thus contribute to the net change in fund balances. 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 liability in the statement of net assets.			
Debt issued during the current year:			
Bonds and notes payable.....		-	
Lease participation certificates, .....		-	
Repayments during the current year:			
Annual payments on bonds and notes payable.....	450,000		
Annual payments on certificates of participation.....	<u>59,712</u>		509,712
Under the modified accrual basis of accounting used in the governmental funds financial statements, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues.			
Change in vacation accrual.....		<u>(3,339)</u>	<u>(3,339)</u>
Change in net assets - governmental activities - statement of activities.....		\$	<u>1,176,507</u>

**FIDUCIARY FUND**

**PENSION TRUST FUND**

Trust funds are used to account for assets held by the City in a trustee capacity. Pension Trust Fund is used to account for the accumulation of resources for pension benefit payments to qualified police officers and firefighters of the City.

***City of Maplewood, Missouri***

Exhibit 7

**STATEMENT OF FIDUCIARY NET ASSETS**

**PENSION TRUST FUND**

**June 30, 2004**

**ASSETS**

Cash.....	\$	322
Investments.....		8,971,040
Receivables:		
Accrued interest and dividends.....		<u>69,313</u>
Total Assets.....	\$	<u>9,040,675</u>

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable.....	\$	24,447
Net Assets Held in Trust for Pension Benefits.....		<u>9,016,228</u>
Total Liabilities and Net Assets.....	\$	<u>9,040,675</u>

*The accompanying notes are an integral part of the financial statements.*

***City of Maplewood, Missouri***

**STATEMENT OF CHANGES IN PLAN NET ASSETS**

**PENSION TRUST FUND**

**Year Ended June 30, 2004**

**Additions:**

Contributions:

Employer.....	\$ 255,490
Plan members.....	<u>125,744</u>
	<u>381,234</u>

Investment income:

Net increase (reduction) in the fair value of investments.....	694,980
Interest.....	222,373
Dividends.....	<u>49,679</u>
	967,032

Less investment management fees..... 64,824

Net investment income..... 902,208

Total additions..... 1,283,442

**Deductions:**

Benefits:

Annuity.....	263,429
Disability.....	29,817
Beneficiary.....	<u>35,915</u>
	329,161

Refunds of contributions..... 16,107

Administrative expenses..... 11,042

Total deductions..... 356,310

**Net Increase**..... 927,132

**Net Assets Held in Trust for Pension Benefits:**

Beginning of year..... 8,089,096

End of year..... \$ 9,016,228

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies**

The City of Maplewood, Missouri (the "City") was incorporated May 20, 1908, under the provisions of the State of Missouri. The City operates under a Mayor-Council-Manager form of government and provides the following services as authorized by its charter: Police and fire protection, street maintenance and improvements, parks and recreation, general administrative services, legislative services, judicial services and planning.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The more significant accounting policies of the City are described below.

**The Financial Reporting Entity**

During 1994, the City adopted Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity* (GASB 14), which provides standards for defining the financial reporting entity and identifying entities to be included in its general purpose financial statements. GASB 14 requirements for inclusion have been more specifically defined based upon financial accountability, as compared with previous standards based on oversight responsibility. The City's financial reporting entity consists of the City of Maplewood, Missouri (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Included within the reporting entity:

Policemen's and Firemen's Retirement Fund Net Pension Obligation - The City's public safety employees participate in the Policemen's and Firemen's Retirement Fund (Pension Trust Fund). The Pension Trust Fund functions for the benefit of these employees and is governed by a five member pension board of trustees, which includes the City Manager. The City and Pension Trust Fund participants are obligated to fund all Pension Trust Fund costs based upon actuarial valuations. The City is authorized to establish benefit levels and to approve the actuarial assumptions used in the determination of contribution levels. The net pension obligation of the fund is reported as a long-term liability of the City. The statements of fiduciary net assets and changes in plan net assets related to this fund are presented before the notes to basic financial statements.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies, (Continued)**

**The Financial Reporting Entity, (Continued)**

Blended Component Unit:

City of Maplewood, Missouri Public Building Corporation - The City of Maplewood, Missouri Public Building Corporation is a nonprofit organization developed solely to finance the purchase of a public works facility. The Corporation was established in January of 2000 and is a blended component unit of the City of Maplewood due to the significance of its financial relationship with the City. The financial information for this unit is included in the City's long-term liabilities.

Discretely Presented Component Unit:

Industrial Development Authority (IDA) - IDA is an industrial development corporation organized under the laws of the State of Missouri for the specific purpose of promoting and developing commercial, industrial, and manufacturing enterprise and encouraging employment within the boundaries of the City. The members of the IDA board are appointed by the Mayor. The law authorizes the corporation to issue industrial development bonds after approval of the City Council. The bonds do not constitute indebtedness of the City and are secured solely by revenues received from the commercial organizations on whose behalf the bonds are issued. The City has no responsibility for the operating expenses of the corporation, as such expenses are financed by fees charged to the commercial organizations.

Excluded from the reporting entity:

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 much further beyond making such appointments. These related organizations are not included as component units within the financial reporting entity.

Maplewood Public Library - The Maplewood Public Library is governed by a board of trustees appointed by the City Council. The City has no significant influence over the Library's management, budget or policies. The Library reports independently.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies, (Continued)**

**The Financial Reporting Entity, (Continued)**

Maplewood-Richmond Heights School District, Special School District of St. Louis County and St. Louis Community College (the Districts) - The Districts are governed by elected boards to provide public education services to certain residents within the geographic boundaries of the City. The Districts have been excluded from the reporting entity because the City does not have the ability to exercise influence over their daily operations, approve budgets or provide funding.

Metropolitan St. Louis Sewer District and Bi-State Development Agency Transit System - The Metropolitan St. Louis Sewer District (MSD) and Bi-State Development Agency Transit System (Bi-State) are governed by boards appointed by St. Louis City and County Councils. MSD provides sewer treatment services and Bi-State provides public transportation services to residents of the City. These potential component units are excluded from the reporting entity because the City does not have the ability to exercise influence over their daily operations, approve budgets or provide funding.

**Adoption of New Accounting Standard and Restatement of Fund Balance**

During fiscal year 2004, the City adopted GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34), GASB Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* (GASB No. 37), GASB Statement No. 38, *Certain Financial Statement Note Disclosures* (GASB No. 38) and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB No. 34 (as amended by GASB No. 37) represents a very significant change in the financial reporting model used by state and local governments.

GASB No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting. Government-wide financial statements do not provide information by fund or account group, but distinguish between the City's governmental activities and the activities of its discretely presented component unit on the statement of net assets and the statement of activities. Additionally, the City's statement of net assets include capital assets and long-term liabilities of the City, which were previously recorded in the general fixed asset account group and the general long-term debt account group, respectively. In addition to the fixed assets previously recorded in the general fixed asset account group, the City retroactively capitalized infrastructure assets. The government-wide statement of activities reflects depreciation expense on the City's capital assets, including infrastructure.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies, (Continued)**

**Adoption of New Accounting Standard and Restatement of Fund Balance, (Continued)**

In addition to the government-wide financial statements the City has prepared fund financial statements, which continue to use the modified accrual basis of accounting for the City's governmental funds. The method is similar to that previously presented for these funds in the City's financial statements, although the format of the financial statements has been modified by GASB No. 34.

GASB No. 34 also includes, as supplementary information, Management's Discussion and Analysis, which provides an analytical overview of the City's financial activities. In addition, budgetary comparison schedules are presented which compare the original and final revised budget with actual results for the general fund and all other major funds.

GASB No. 38 requires certain disclosures to be made in the notes to the basic financial statements concurrent with the implementation of GASB No. 34. While this statement did not affect amounts reported in the financial statements of the City, certain note disclosures have been added and amended including descriptions of activities of major funds, future debt service and lease obligations in five year increments, and interfund balances and transactions.

These statements had a significant effect on the City's financial reporting model. All statements were retroactively applied to July 1, 2003. Restatement of net assets within the government-wide financial statements is as follows:

Fund equity at June 30, 2003 - Governmental Funds.....	\$ 1,913,924
Required GASB 34 adjustments:	
Capital assets, net of accumulated depreciation.....	14,353,998
Long-term and other liabilities.....	<u>(13,894,888)</u>
Restated net assets at June 30, 2003.....	<u>\$ 2,373,034</u>

**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 and its component unit. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues are reported separately from the component unit for which the City is financially accountable.



**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies, (Continued)**

**Government-Wide and Fund Financial Statements, (Continued)**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, unrestricted interest earnings, and other miscellaneous revenues 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 a fiduciary fund. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The City has determined that the General Fund, the Deer Creek Special Allocation Fund, 1/2 Cent Capital Improvement Fund, Special Capital Project Improvements Fund, and the Debt Service Fund are major governmental funds. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balance for all governmental funds is reconciled to the 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.

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

**Governmental Fund Types**

Governmental funds are those through which most governmental functions are financed. The acquisition, uses and balances of the City's expendable financial resources and the related liabilities 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 Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies, (Continued)**

**Governmental Fund Types, (Continued)**

Deer Creek Special Allocation Fund - The Deer Creek Special Allocation Fund is used to make public improvements to Deer Creek Park and other public improvement costs associated with the Deer Creek Shopping Center.

1/2 Cent Capital Improvement Fund - The 1/2 Cent Capital Improvement Fund is used for funding City capital improvements.

Special Capital Project Improvements Fund - The Special Capital Project Improvements Fund is used to account for the acquisition of fixed assets or construction of certain capital projects.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt (including capital lease obligations) principal, interest, and related costs.

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, and capital project funds which account for financial resources to be used for acquisition or construction of major capital facilities.

**Fiduciary Fund Type**

Pension Trust Fund - The Pension Trust Fund is used to account for assets held by the City in a trustee capacity for the police officers and firefighters of the City.

**Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies, (Continued)**

**Measurement Focus and Basis of Accounting, (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when both measurable and available. The term "available" is defined as collectible within the current period or soon enough thereafter to be used to pay the liabilities of the current period. For the City, available is defined as expected to be received within sixty days of fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures, as well as compensated absences, are recorded only when payment is due.

GASB Statement No. 33 groups nonexchange transactions into the following four classes, based upon their principal characteristics: derived tax revenues, imposed nonexchange revenues, government mandated nonexchange transactions, and voluntary nonexchange transactions.

The City recognizes assets from derived tax revenue transactions (such as sales and utilities gross receipt taxes) in the period when the underlying exchange transaction on which the tax is imposed occurs or when the assets are received, whichever occurs first. Revenues are recognized, net of estimated refunds and estimated uncollectible amounts, in the same period that the assets are recognized, provided that the underlying exchange transaction has occurred. Resources received in advance are reported as deferred revenues until the period of the exchange.

The City recognizes assets from imposed nonexchange revenue transactions in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Revenues are recognized in the period when the resources are required to be used or the first period that use is permitted. The City recognizes revenues from property taxes, net of estimated refunds and estimated uncollectible amounts, in the period for which the taxes are levied. Imposed nonexchange revenues also include permits and court fines and forfeitures.

Intergovernmental revenues, representing grants and assistance received from other governmental units, are generally recognized as revenues in the period when all eligibility requirements, as defined by GASB 33, have met. Any resources received before eligibility requirements are met are reported as deferred revenues.

Charges for services in the governmental funds, which are exchange transactions and are, therefore not subject to the provisions of GASB 33, are recognized as revenues when received in cash because they are generally not measurable until actually received.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies, (Continued)**

**Measurement Focus and Basis of Accounting, (Continued)**

The Pension Trust Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this Fund are included on the balance sheet. Plan member contributions are recognized in the period in which the contributions are due. City contributions are recognized when due and the City has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year end on behalf of the City also are recognized as revenue. Fines and forfeitures and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the Pension Trust Fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Budgets and Budgetary Accounting**

Budgets are adopted on a cash basis. Annual appropriated budgets are adopted for the general and special revenue and capital project funds. All annual appropriations lapse at fiscal year end. Encumbrances are reappropriated in the ensuing year's budget.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed operating expenditures, capital expenditures and the means for financing same.
2. Public hearings are conducted to obtain comments from all interested parties.
3. The budget is formally adopted on or before the last day of the current fiscal year end.
4. The City Manager is authorized to transfer budgeted amounts within any department. However, any transfers between departments, between funds or any alteration of the total expenditures of any fund must be approved by the City Council.
5. Expenditures may not legally exceed budgeted appropriations at the department level, unless the City Manager first certifies that there is sufficient unencumbered balance to cover the claim or meet the obligation.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies, (Continued)**

**Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability in the government-wide financial statements. Only the amount currently payable is included as an expenditure and liability in the governmental fund financial statements.

Sick leave is based on continuous months of service with the City and is available only to provide compensation during periods of illness. Therefore, the cost of sick days is recognized when paid.

**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 rate method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental 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.

**Fund Balances**

Reserved fund balances represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. In addition to encumbrances of \$324,436, the general fund reserved fund balances consist of cash and cash equivalents restricted for special business district projects of \$272,407 and cash held in escrow of \$101,503 payable to the City Manager upon termination or retirement. The special revenue reserved fund balances represent encumbrances of \$834,733.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**1. Summary of Significant Accounting Policies, (Continued)**

**Comparative Data**

Comparative total data for the prior year have not been presented in the accompanying financial statements. This is the first year the City has prepared its Comprehensive Annual Financial Report in accordance with GASB No. 34. Comparative data will be presented in future years, except in statements where their inclusion would make certain statements complex and difficult to understand.

**2. Deposits and Investments**

**Deposits**

At June 30, 2004, the carrying amount of the City's deposits was \$2,752,165 (including restricted assets of the general fund and excluding restricted assets of the debt service fund - Note 3) and the bank balance was \$2,360,515. Of the bank balance, \$300,000 was covered by federal depository insurance (category 1) and \$1,847,416 was collateralized by securities held by the pledging financial institution's trust department or agent but not in the government's name (category 3). The collateral deficit of \$213,099 is being addressed by the City and management intends to eliminate it.

The City has given authority to the City Manager to invest in U.S. government obligations or place on time deposit funds of the City not in immediate use and funds held by the City in a fiduciary capacity.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**2. Deposits and Investments, (Continued)**

**Investments - Pension Trust Fund**

Statutes require the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities. The Pension Trust Fund is also authorized to invest in corporate stocks, bonds and other investments as allowed by state law.

	<u>Cost</u>	<u>Fair Value/ Carrying Amount</u>
Money Funds.....	\$ 134,765	\$ 134,765
Common Stocks.....	4,081,143	4,928,535
U.S. Agency Obligations.....	1,804,507	1,850,154
U.S. Treasury Obligations.....	<u>1,920,556</u>	<u>2,057,586</u>
Total Investments.....	<u>\$ 7,940,971</u>	<u>\$ 8,971,040</u>

All investments above are assets of the Pension Trust Fund. The common stock, U.S. Agency Obligations, and U.S. Treasury Obligations are category 3 investments.

**3. Restricted Assets**

**General Fund**

At June 30, 2004, the carrying amount and the bank balance of the City's deposits restricted to the Special Business District were \$272,407. The carrying amount and the bank balance of the City's cash held in escrow were \$101,503.

The bank balance was covered by federal depository insurance (category 1) or collateral held by the City's safekeeping bank agents (category 3). See Note 2 for collateral amounts and collateral deficit.

**Debt Service Fund**

At June 30, 2004, the carrying amount and the bank balance of the City's deposits restricted for the purpose of paying the principal of and interest on the Maplewood Square Refunding Revenue Bonds was \$475,198.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**3. Restricted Assets, (Continued)**

**Debt Service Fund, (Continued)**

Deposits pertaining to the Maplewood Square Refunding Revenue Bonds are invested by the Trustee (UMB Bank) in a mutual fund that invests principally in U.S. Treasury Securities. Amounts invested in the mutual fund are not deposits of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency (category 3).

Deposits pertaining to the Series 2001 General Obligation Bonds are insured and/or collateralized as described in Note 2.

**4. Capital Assets**

The following is a summary of changes in capital assets - governmental activities for the year ended June 30, 2004:

	July 1, 2003	Additions	Deletions	June 30, 2004
<b>Governmental activities:</b>				
<i>Capital assets not being depreciated:</i>				
Land.....	\$ 2,340,822	\$ -	\$ -	\$ 2,340,822
<i>Capital assets being depreciated:</i>				
Land Improvements.....	1,906,558	188,951	-	2,095,509
Buildings and Improvements.....	7,368,502	-	-	7,368,502
Machinery and Equipment.....	567,538	138,118	7,995	697,661
Vehicles.....	1,064,622	74,626	107,872	1,031,376
Infrastructure.....	16,289,538	2,042,603	-	18,332,141
Total capital assets being depreciated.....	27,196,758	2,444,298	115,867	29,525,189
<i>Less accumulated depreciation for:</i>				
Land Improvements.....	1,072,002	114,870	-	1,186,872
Buildings and Improvements.....	627,844	174,837	-	802,681
Machinery and Equipment.....	397,704	58,134	7,995	447,843
Vehicles.....	1,001,703	42,599	96,083	948,219
Infrastructure.....	12,084,329	801,888	-	12,886,217
Total accumulated depreciation.....	15,183,582	1,192,328	104,078	16,271,832
Total capital assets being depreciated, net.....	12,013,176	1,251,970	11,789	13,253,357
Governmental activities capital assets, net.....	\$ 14,353,998	\$ 1,251,970	\$ 11,789	\$ 15,594,179

Within the statement of activities, depreciation expense charged totalled \$1,088,249.



**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**5. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2004:

	July 1, 2003	Additions	Reductions	June 30, 2004
Notes Payable:				
South Big Bend Redevelopment Project Area Note Payable.....	\$ 4,725,000	\$ -	\$ -	\$ 4,725,000
	<u>4,725,000</u>	<u>-</u>	<u>-</u>	<u>4,725,000</u>
Bonds Payable:				
General Obligation Bonds, Series 2001.....	5,290,000	-	195,000	5,095,000
Maplewood Square Redevelopment Project Area Refunding Revenue Bonds, Series 1999.....	3,535,000	-	255,000	3,280,000
City of Maplewood, Missouri Public Building Corporation: Lease Participation Certificates, Series 2000 C.....	129,749	-	59,712	70,037
	<u>8,954,749</u>	<u>-</u>	<u>509,712</u>	<u>8,445,037</u>
Net Pension Obligation.....	215,139	37,396	-	252,535
	<u>\$ 13,894,888</u>	<u>\$ 37,396</u>	<u>\$ 509,712</u>	<u>\$ 13,422,572</u>
Due Within One Year.....				\$ 902,792
Due in More Than One Year.....				<u>12,519,780</u>
				<u>\$ 13,422,572</u>

**South Big Bend Redevelopment Project Area Note Payable**

In December 1990, the City approved and authorized the issuance of a \$3,500,000 of a Tax Increment Financing (TIF) note. In December 1996, the City amended the note and authorized the issuance of an additional \$1,225,000. The total amount issued under this note was \$1,225,000 during 1998, \$2,088,605 during 1995, \$896,784 during 1994 and \$514,611 during 1992. The TIF note provides for street improvements, new utility infrastructure, demolition and site preparation, grading, landscaping, environmental clean-up, administration and professional services for the South Big Bend Redevelopment Project Area. The note is to be repaid by the increase in real property tax assessments resulting from the redevelopment.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**5. Long-Term Liabilities, (Continued)**

**South Big Bend Redevelopment Project Area Note Payable, (Continued)**

The note is not a general obligation of the City. The TIF note bears interest at 7.5%. The TIF note will be repaid with funds collected from tax increment revenue collected pursuant to tax increment allocation financing. Under TIF financing, payments in lieu of taxes derived from increases in the equalized assessed value of property are deposited in a special allocation fund. Interest will be repaid first and then any amounts remaining in the special allocation fund will be applied to principal. If, on any scheduled annual payment date, the TIF revenues in the special allocation fund exceed the amount necessary to pay amounts previously due and owing plus the amounts currently due for accrued interest, the excess will be used first for prepayment of the outstanding principal balance on the TIF note and then to the taxing districts in the South Big Bend Redevelopment Project Area (but only after payment in full of the TIF notes). If not repaid in full sooner, the entire remaining principal balance, together with all interest thereon, shall be payable on December 1, 2010.

The annual requirements to retire the South Big Bend Redevelopment Project Area note payable as of June 30, 2004, are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005.....	\$ 327,792	\$ 366,814	\$ 694,606
2006.....	353,239	341,367	694,606
2007.....	380,662	313,944	694,606
2008.....	410,214	284,392	694,606
2009.....	442,060	252,546	694,606
Thereafter.....	<u>2,811,033</u>	<u>292,598</u>	<u>3,103,631</u>
	<u>\$ 4,725,000</u>	<u>\$ 1,851,661</u>	<u>\$ 6,576,661</u>

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**5. Long-Term Liabilities, (Continued)**

**General Obligation Bonds, Series 2001**

In August 2000, the City held a special election in which the citizens of Maplewood approved a \$5,655,000 general obligation bond issue. On June 1, 2001, the City issued General Obligation Bonds, Series 2001 in the amount of \$5,655,000. The proceeds from the bond issue were used to finance the construction of a new municipal aquatic center, replacing the old municipal swimming pool that was constructed in 1938. The aquatic center consists of two outdoor swimming pools, a new bath house, and a ninety-space parking lot. The two pools consists of a fifty meter lap pool and a zero depth-entry recreation pool with lazy river and water slide. The City had budgeted a total of \$7.2 million dollars (includes the \$5,655,000 in bond proceeds) for the project. The facility was completed in 2002. The bonds bear interest rates ranging from 4.15% to 5.125%. Interest on the bonds is payable semiannually on June 1 and December 1. The bonds are general obligations of the City; therefore, the full faith, credit, and resources of the City are irrevocably pledged for the prompt payment of the principal of and interest on the bonds as the same become due. Payments of principal and interest will be made from revenues collected from an additional property tax to be levied on all tangible property within the City; in addition, revenues collected from the one-half cent sales tax in the Park and Storm Fund shall be available for appropriation for the payment of principal of and interest on said bonds.

The annual debt service requirements to maturity for the Series 2001 General Obligation Bonds are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005.....	\$ 205,000	\$ 240,824	\$ 445,824
2006.....	215,000	231,599	446,599
2007.....	225,000	221,924	446,924
2008.....	235,000	211,799	446,799
2009.....	245,000	201,576	446,576
Thereafter.....	<u>3,970,000</u>	<u>1,384,228</u>	<u>5,354,228</u>
	<u>\$ 5,095,000</u>	<u>\$ 2,491,950</u>	<u>\$ 7,586,950</u>

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**5. Long-Term Liabilities, (Continued)**

**Maplewood Square Redevelopment Project Area Refunding Revenue Bonds, Series 1999**

In February 1999, the City issued Missouri Tax Increment Refunding Revenue Bonds, Series 1999 in the amount of \$5,045,000. The Tax Increment Refunding Revenue (TIRR) Bonds were approved and authorized by the City for the purpose of liquidating the outstanding TIF notes of \$3,750,000. The TIRR bonds bear interest at 5.75%, which is considerably lower than the 10% rate attached to the TIF notes. The TIRR bonds will be repaid with funds collected from tax increment revenue collected pursuant to tax increment allocation financing. Under this financing, payments in lieu of taxes derived from increases in the equalized assessed value of property are deposited into a special allocation fund. The City is required to transfer monthly all proceeds from the special allocation fund to the Trustee (UMB Bank). The Trustee (UMB Bank) pays the semi-annual interest on the bonds, as well as the principal of and premium, if any, on the bonds as and when the bonds become due. The Trustee (UMB Bank) is required by the January 1, 1999 Trust Indenture to maintain a Debt Service Reserve on behalf of the City in the amount of \$290,087. This reserve is to be used by the Trustee without further authorization solely for the payment of principal of and interest on the bonds if moneys otherwise available for such purpose are insufficient. Final maturity of the TIRR bonds occurs April 1, 2020.

The annual projected payment schedule for the Maplewood Square Redevelopment Project Area Refunding Revenue Bonds, Series 1999 as of June 30, 2004, is as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005.....	\$ 370,000	\$ 192,625	\$ 562,625
2006.....	390,000	171,350	561,350
2007.....	415,000	148,925	563,925
2008.....	440,000	125,063	565,063
2009.....	460,000	95,738	555,738
Thereafter.....	<u>1,205,000</u>	<u>110,113</u>	<u>1,315,113</u>
	<u>\$ 3,280,000</u>	<u>\$ 843,814</u>	<u>\$ 4,123,814</u>

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**5. Long-Term Liabilities, (Continued)**

**Lease Participation Certificates - City of Maplewood, Missouri Public Building Corporation**

In January 2000, the City formed the City of Maplewood, Missouri Public Building Corporation, which is a nonprofit organization under Missouri law. The sole purpose of this nonprofit organization was to finance the purchase of a public works facility. On February 1, 2000, the City of Maplewood, Missouri Public Building Corporation issued Lease Participation Certificates, Series A (nontaxable) and Series B (taxable), in the amounts of \$220,286 and \$179,914, respectively. The bonds bear interest at 5.9% and 8.5%, respectively, and were scheduled to mature December 1, 2004. Principal and interest amounts were paid monthly. Proceeds from the bond issues were used to purchase the public works facility that the City had been leasing for several years. At June 30, 2000, a portion of the public works facility was under lease by an outside entity. When that lease expired in fiscal 2001, the Series B (taxable), along with the Series A (nontaxable), Certificates were refinanced. Series C Certificates were issued in their place. As part of the refinancing arrangement, the interest rate for all of the Certificates is now 5.9%. All other terms are identical to those stated for the previous issues. The annual debt service requirements to maturity for the Lease Participation Certificates are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005.....	\$ 70,037	\$ 2,066	\$ 72,103
	<u>\$ 70,037</u>	<u>\$ 2,066</u>	<u>\$ 72,103</u>

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**6. Interfund Balances and Transfers**

The following is a summary of amounts due from and due to other funds at June 30, 2004:

	Balances		Transfers	
	Due From	Due To	In	Out
General Fund:				
General - Sub Funds.....	\$ 781,180	\$ 1,160,587	\$ -	\$ -
Special Revenue Fund:				
Park and Storm.....	-	48,992	-	-
Deer Creek.....	759,499	1,277	-	-
South Big Bend.....	89,065	-	-	-
Special Capital Projects.....	-	232,020	-	-
Half-Cent Capital Improvement.....	200,854	-	-	-
Maplewood Square.....	20,258	-	-	-
Sewer Lateral.....	-	430	-	-
Debt Service Fund.....	-	647,002	-	-
Capital Projects Fund.....	20,000	-	-	-
Pension Trust.....	-	-	-	-
Debt Service Fund:				
General Fund.....	647,002	-	-	-
Special Revenue Fund.....	-	-	1,688,409	-
Special Revenue Fund:				
General Fund.....	1,277	468,813	-	-
Special Revenue - Sub Funds...	955,824	895,838	-	-
Debt Service Fund.....	-	-	-	1,688,409
Capital Projects Fund:				
General Fund.....	-	20,000	-	-
Pension Trust				
General Fund.....	-	-	-	-
Totals.....	<u>\$ 3,474,959</u>	<u>\$ 3,474,959</u>	<u>\$ 1,688,409</u>	<u>\$ 1,688,409</u>

The General Fund and Special Revenue Fund consists of various self-balancing funds. The amount due from and to these individual funds are reflected in the General Fund and Special Revenue Fund, respectively.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**7. Retirement Plans**

The City maintains three retirement plans for its employees -- The Policemen's and Firemen's Retirement Fund, LAGERS and a deferred compensation plan.

**Policemen's and Firemen's Retirement Fund (Pension Trust Fund)**

**Plan Description**

The plan is a contributory defined benefit pension plan covering certain police officers and firefighters of the City. The plan provides for pension, death and disability benefits and is subject to the provisions of the Public Employee Retirement System (PERS). PERS is the administrative agent of this single-employer pension plan that was established by the City in accordance with the City Charter and State Statutes.

The plan is governed by a five member pension board of trustees, which includes the City Manager. The Board of Trustees shall make the final determination of eligibility for all benefit payments based upon the adequacy of reserves in the fund. Administrative costs are borne by the plan.

An employee is eligible to participate in the plan if the employee is a full-time police officer or firefighter for the City.

Upon retirement, a participant receives two percent of base pay for each year of service up to a maximum of sixty percent of their base pay. In order to be eligible for retirement a participant must complete twenty years of service.

If a participant becomes permanently and totally disabled while performing active duty, the participant will receive disability benefits of sixty percent of base pay. If the disability is non-duty related, the participant will receive disability benefits of forty percent of base pay.

A participant who terminates employment for reasons other than retirement, death or disability, shall receive a refund of their contributions made to the plan without interest.

The plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing: Pension Trust Fund, City of Maplewood, Missouri, 7601 Manchester Avenue, Maplewood, Missouri 63143.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**7. Retirement Plans, (Continued)**

**Policemen's and Firemen's Retirement Fund (Pension Trust Fund), (Continued)**

Funding Policy

The funding policy of the plan for the year ended June 30, 2004 provides that tax revenues from a levy of \$.235 per \$100 of assessed valuation be contributed to the plan and that active members contribute 7% of base salary. To measure the adequacy of that basis of funding, tax revenues and employee contributions are compared to contribution requirements determined using the entry age normal actuarial cost method. The City's current rate is 18.3% of covered payroll. The unfunded actuarial accrued liability is amortized over 25 years.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation to PERS for the current year were as follows:

Annual Required Contribution.....	\$ 431,319
Interest on Net Pension Obligation.....	15,060
Adjustment to Annual Required Contribution.....	<u>(27,749)</u>
Annual Pension Cost.....	418,630
Less Contributions Made.....	<u>381,234</u>
Increase in Net Pension Obligation.....	37,396
Net Pension Obligation Beginning of Year.....	<u>215,139</u>
Net Pension Obligation End of Year.....	<u>\$ 252,535</u>



**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**7. Retirement Plans, (Continued)**

**Policemen's and Firemen's Retirement Fund (Pension Trust Fund), (Continued)**

Annual Pension Cost and Net Pension Obligation, (Continued)

The annual required contribution for the current year was determined as part of the June 30, 2004 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.0% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.0% per year (with additional increases after the first five-years of employment). The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a four-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2004 was 25 years.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/02.....	\$ 403,649	88.7 %	\$ 143,867
06/30/03.....	\$ 430,868	83.5 %	\$ 215,139
06/30/04.....	\$ 418,630	91.1 %	\$ 252,535

**Missouri Local Government Employees Retirement System (LAGERS)**

Plan Description

The City contributes to LAGERS, an agent multiple-employer statewide Public Employee Retirement System (PERS) that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by state statute. As such, it is LAGERS' responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under Internal Revenue Code Section 401(a), and it is tax exempt. All full-time employees of the City, excluding the sworn employees of the police and fire departments, are eligible to participate in LAGERS.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**7. Retirement Plans, (Continued)**

**Missouri Local Government Employees Retirement System (LAGERS), (Continued)**

Funding Policy

The City of Maplewood's full-time employees contribute 4% of annual payroll to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 0.7% (general) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the City. The contribution provisions of the City are established by state statute.

Annual Pension Cost

For 2004, the City's annual pension cost of \$41,187 was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2002 and/or February 28, 2003 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 4.2% per year, depending on age, attributable to seniority/merit, (d) pre-retirement mortality based on the 1983 Group Annuity Mortality table and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 29, 2004 was 15 years.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/02.....	\$ 53,292	100 %	\$ 0
06/30/03.....	\$ 44,795	100 %	\$ 0
06/30/04.....	\$ 41,187	100 %	\$ 0

**Deferred Compensation Plan**

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**7. Retirement Plans, (Continued)**

**Deferred Compensation Plan, (Continued)**

The City funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in the International City Manager Association (ICMA) Retirement Corporation.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The fair value of the plan investments were \$1,872,069 at June 30, 2004.

The plan assets are required to be held in trust for the exclusive benefit of plan participants and their beneficiaries. The City does not report the deferred compensation plan assets and liabilities on its combined balance sheet (Agency Fund) and the City does not have significant administrative involvement with the plan, nor does the City perform the investing function for the plan.

**8. Budgetary Information**

**Budgetary Basis of Accounting**

The Combined Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - (Non-GAAP Budgetary Basis) - General and Special Revenue Funds presents comparisons of legally adopted budgets with actual data on a budgetary basis. The City does not legally adopt an annual budget for the Debt Service Fund, Capital Projects Fund, the Community Development Block Grant Program (General Fund), and the City of Maplewood, Missouri Public Building Corporation, Inc. (Blended Component Unit). The Capital Project Fund is budgeted over the life of the project. Budgetary data for these items has not been presented in the accompanying combined financial statements. Accordingly, formal budgetary integration of the aforementioned items has not been employed and comparison of actual results of operations to budgetary data for the aforementioned items is not presented.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**8. Budgetary Information, (Continued)**

**Budgetary Basis of Accounting, (Continued)**

Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles, and since certain funds and/or amounts are excluded from the budgetary basis statements, a reconciliation of differences in excess of revenues and other financing sources over expenditures and other financing uses for the year ended June 30, 2004, is presented below:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses - Budgetary Basis.....	\$ 297,925	\$ 663,797
Basis Difference Adjustments:		
Changes in accrued revenues.....	12,714	(9,184)
Changes in accrued expenditures.....	<u>(913,485)</u>	<u>(1,126,181)</u>
	<u>(900,771)</u>	<u>(1,135,365)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses - GAAP Basis.....	<u>\$ (602,846)</u>	<u>\$ (471,568)</u>

**9. Contingent Liabilities**

In July 1998, an individual filed suit against the City and a City police officer in the U.S. District Court alleging unconstitutional civil rights violations. The City has since been dismissed from the case. The plaintiff and City police officer have entered into a settlement agreement in which the City police officer agrees to the entry of a judgement against him in exchange for the plaintiff agreeing to pursue recovery of the judgement from the City's insurance carrier. The Court approved the motion and entered a judgement against the City police officer. The City police officer has appealed the judgement. The appeal is pending. The plaintiff filed a motion to amend the judgement to include attorney's fees. The motion is pending.

The aforementioned police officer has filed suit against the City asserting various claims for back pay, benefits, and other entitlements pertaining to the time period for which the officer was suspended without pay. The police officer has also demanded reimbursement from the City for costs pertaining to his separate legal representation in connection with the aforementioned litigation. The case is pending.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**9. Contingent Liabilities, (Continued)**

In February 2001, an organization filed suit against the City. The organization alleges that the City wrongly denied the organization rezoning of its property to allow construction of a church. The plaintiff (the organization) claims that the City violated the United States and Missouri Constitutions, the Religious Land Use Act and Institutional Persons Act of 2000, and the Missouri Zoning Enabling Act. In addition to the aforementioned claim, the plaintiff filed an amended petition in September of 2001 claiming that the City also wrongly denied the Plaintiff's application for demolition of a historic house on the plaintiff's property. Plaintiff asserts the same supportive theories for this additional claim. On March 11, 2004, the trial court entered summary judgment in favor of all Defendants. The plaintiff appealed directly to the Missouri Supreme Court and on July 13, 2004 the Missouri Supreme Court entered its order dismissing the Plaintiff's appeal.

The City is also defending various other allegations, none of which the City believes will have a material affect on the financial statements.

**10. City Escrow Account**

The City has entered into an escrow agreement with the City Manager and a bank. The City will keep a deposit balance with the bank equal to the current annual salary of the City Manager. The money can be withdrawn by the City Manager if he has been fired or is removed from his position. The City will receive the money if the City Manager resigns.

**11. Community Development Block Grants**

The City and St. Louis County, Missouri (County) entered into Municipal Housing and Community Development Cooperation Agreements regarding the administration of State Department of Community Development Block Grants (CDBG). CDBG are received and appropriated by the County. The City recognizes CDBG as intergovernmental revenue and as a capital improvements/special projects expenditure upon completion of a City CDBG project. Unused and available CDBG are subject to carryover when certain requirements are met by the City.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**11. Community Development Block Grants, (Continued)**

Available CDBG are as follows:

Available - July 1, 2003.....	\$ 135,183
Program Income and Transfers.....	11,928
Add: Funds Applied for, Year Ended June 30, 2004.....	<u>78,415</u>
Total Funds Available.....	225,526
Less: Amount of Completed Projects.....	<u>(118,893)</u>
Available - June 30, 2004.....	<u>\$ 106,633</u>

Available CDBG are to be used by December 2004.

**12. Surface Transportation Program**

The City and Missouri Highway and Transportation Commission entered into two Surface Transportation Program (STP) agreements. One agreement is for the reconstruction of pavement, curbs and sidewalks for five streets. The United States Government will reimburse the City for 70% of eligible costs, up to a maximum of \$1,141,980. The other agreement is for improvements to a street for signalization, restriping, intersection geometric changes and related projects. The United States Government will reimburse the City for 80% of eligible costs, up to a maximum of \$1,895,000.

Available STP are as follows:

Available - July 1, 2003.....	\$ 1,654,188
Add: Funds Applied for, Year Ended June 30, 2004.....	<u>-</u>
Total Funds Available.....	1,654,188
Less: Amount of Completed Projects.....	<u>1,423,314</u>
Available - June 30, 2004.....	<u>\$ 230,874</u>

**13. Insurance Programs**

Significant losses are covered by participation in two public entity risk pools described below. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for years 2004, 2003 and 2002.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2004**

**13. Insurance Programs, (Continued)**

In August 1986, the City joined an association of St. Louis County municipalities called St. Louis Area Insurance Trust (S.L.A.I.T.). S.L.A.I.T. administers an insurance plan which provides coverage for workers' compensation insurance for the municipalities. The premiums paid to S.L.A.I.T. by the municipalities are used to form a reserve for paying claims. This reserve insures the City for workers' compensation claims up to \$1,000,000 and provides reinsurance for claims between \$1,000,000 and \$5,000,000. The City's premium payment was \$87,752 for the year ended June 30, 2004.

S.L.A.I.T. also administers an insurance plan which provides \$2,000,000 of general liability and automobile liability coverage for the municipalities. The premium paid to S.L.A.I.T. are used to form a reserve for paying claims. The City's premium payment was \$57,166 for the year ended June 30, 2004.

**REQUIRED SUPPLEMENTARY INFORMATION**



SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)

Year Ended June 30, 2004

	General			Variance Favorable [Unfavorable]
	Budget	Final Revised Budget	Actual	
Revenues:				
Taxes.....	\$ 3,290,000	\$ 3,290,000	\$ 3,792,601	\$ 502,601
Licenses and permits.....	602,000	602,000	657,400	55,400
Intergovernmental.....	542,200	542,200	12,310	(529,890)
Charges for services.....	217,100	217,100	379,688	162,588
Fines and forfeitures.....	470,000	470,000	464,900	(5,100)
Interest.....	3,900	3,900	3,596	(304)
Miscellaneous.....	113,650	113,650	18,384	(95,266)
Total revenues.....	<u>5,238,850</u>	<u>5,238,850</u>	<u>5,328,879</u>	<u>90,029</u>
Expenditures:				
Current:				
General government:				
Legislative.....	37,133	37,133	25,177	11,956
Executive.....	838,335	838,335	718,779	119,556
Legal.....	341,834	341,834	147,754	194,080
Capital improvements/special projects.....	17,431	17,431	2,619	14,812
Total general government.....	<u>1,234,733</u>	<u>1,234,733</u>	<u>894,329</u>	<u>340,404</u>
Public safety:				
Police.....	2,028,611	2,028,611	2,034,397	(5,786)
Fire.....	926,775	926,775	940,908	(14,133)
Total public safety.....	<u>2,955,386</u>	<u>2,955,386</u>	<u>2,975,305</u>	<u>(19,919)</u>
Highways and streets.....	1,294,946	1,294,946	985,547	309,399
Sanitation.....	55,250	55,250	18,750	36,500
Principal retirement.....	510,000	510,000	509,712	288
Capital outlay.....	100,000	100,000	169,184	(69,184)
Special business district.....	155,600	155,600	42,597	113,003
Total expenditures.....	<u>6,305,915</u>	<u>6,305,915</u>	<u>5,595,424</u>	<u>710,491</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures.....	<u>(1,067,065)</u>	<u>(1,067,065)</u>	<u>(266,545)</u>	<u>800,520</u>
Other Financing Sources (Uses):				
Operating transfers in.....	-	-	531,161	531,161
Proceeds from sale of property.....	-	-	33,309	33,309
Total other financing sources (uses).....	<u>-</u>	<u>-</u>	<u>564,470</u>	<u>564,470</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses - Budgetary Basis.....	<u>\$ (1,067,065)</u>	<u>\$ (1,067,065)</u>	<u>297,925</u>	<u>\$ 1,364,990</u>
Net Adjustments to Conform With Generally Accepted Accounting Principles.....			<u>(900,771)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses - GAAP Basis.....			<u>(602,846)</u>	
Fund Balances, Beginning of Year.....			<u>524,197</u>	
Fund Balances, End of Year.....			<u>\$ (78,649)</u>	

See accompanying independent auditors' report.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS (UNAUDITED)**

**Year Ended June 30, 2004**

	<b>Special Revenue Funds</b>			
	<b>Budget</b>	<b>Final Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
	<b>Budget</b>	<b>Budget</b>	<b>Actual</b>	<b>[Unfavorable]</b>
<b>Revenues:</b>				
Taxes.....	\$ 3,167,000	\$ 3,167,000	\$ 2,566,196	\$ (600,804)
Intergovernmental.....	-	-	1,351,831	1,351,831
Interest.....	21,500	21,500	11,822	(9,678)
Miscellaneous.....	-	-	81,110	81,110
Total revenues.....	<u>3,188,500</u>	<u>3,188,500</u>	<u>4,010,959</u>	<u>822,459</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Special revenue funds:</b>				
Half-cent capital improvement.....	1,991,291	1,991,291	813,595	1,177,696
Special capital projects.....	510,124	510,124	526,834	(16,710)
Deer creek.....	255,729	255,729	5,031	250,698
Park and Storm.....	167,061	167,061	304,123	(137,062)
Sewer lateral.....	70,514	70,514	3,816	66,698
Total expenditures.....	<u>2,994,719</u>	<u>2,994,719</u>	<u>1,653,399</u>	<u>1,341,320</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures.....	<u>193,781</u>	<u>193,781</u>	<u>2,357,560</u>	<u>2,163,779</u>
<b>Other Financing Sources (Uses):</b>				
Operating transfers in.....	-	-	-	-
Operating transfers out.....	-	-	(1,693,763)	(1,693,763)
Total other financing sources (uses).....	-	-	(1,693,763)	(1,693,763)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses - Budgetary Basis.....	<u>\$ -</u>	<u>\$ -</u>	<u>663,797</u>	<u>\$ 470,016</u>
<b>Net Adjustments to Conform With Generally Accepted Accounting Principles.....</b>				
			<u>(1,135,365)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses - GAAP Basis.....			<u>(471,568)</u>	
Fund Balances, Beginning of Year.....			<u>943,227</u>	
Fund Balances, End of Year.....			<u>\$ 471,659</u>	

Note: The City does not budget by major fund within the Special Revenue Fund.

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2004

	<u>Nonmajor Special Revenue Funds</u>				Nonmajor	Total
	Big Bend	Maplewood	Park and	Sewer	Capital	Nonmajor
	<u>Special Allocation</u>	<u>Square</u>	<u>Storm</u>	<u>Lateral</u>	<u>Project</u>	<u>Governmental</u>
<b>Assets:</b>						
Cash and cash equivalents..	\$ 536,633	\$ 384,161	\$ 3,198	\$ 141,136	\$ -	\$ 1,065,128
Receivables:						
Taxes.....	-	41,481	36,710	555	-	78,746
Prepaid expenses.....	-	-	-	-	-	-
Due from other funds.....	<u>1,277</u>	<u>-</u>	<u>48,992</u>	<u>430</u>	<u>-</u>	<u>50,699</u>
<b>Total Assets and</b>						
<b>Other Debits.....</b>	<u>\$ 537,910</u>	<u>\$ 425,642</u>	<u>\$ 88,900</u>	<u>\$ 142,121</u>	<u>\$ -</u>	<u>\$ 1,194,573</u>
<b>Liabilities:</b>						
Accounts payable .....	\$ -	\$ -	\$ 211,711	\$ (664)	\$ -	\$ 211,047
Due to other funds.....	<u>535,774</u>	<u>20,258</u>	<u>56,225</u>	<u>-</u>	<u>20,000</u>	<u>632,257</u>
Total liabilities.....	<u>535,774</u>	<u>20,258</u>	<u>267,936</u>	<u>(664)</u>	<u>20,000</u>	<u>843,304</u>
<b>Fund Equity and Other Credits:</b>						
Reserved for:						
Encumbrances.....	531,000	-	54,246	326	-	585,572
Unreserved.....	<u>(528,864)</u>	<u>405,384</u>	<u>(233,282)</u>	<u>142,459</u>	<u>(20,000)</u>	<u>(234,303)</u>
Total fund balances...	<u>2,136</u>	<u>405,384</u>	<u>(179,036)</u>	<u>142,785</u>	<u>(20,000)</u>	<u>351,269</u>
<b>Total Liabilities and Fund</b>						
<b>Balances.....</b>	<u>\$ 537,910</u>	<u>\$ 425,642</u>	<u>\$ 88,900</u>	<u>\$ 142,121</u>	<u>\$ -</u>	<u>\$ 1,194,573</u>

*See accompanying independent auditors' report.*

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS**

**Year Ended June 30, 2004**

	<u>Nonmajor Special Revenue Funds</u>				Nonmajor	Total
					Capital	Nonmajor
	<u>Big Bend</u>	<u>Maplewood</u>	<u>Park and</u>	<u>Sewer</u>	<u>Project</u>	<u>Governmental</u>
	<u>Special Allocation</u>	<u>Square</u>	<u>Storm</u>	<u>Lateral</u>	<u>Funds</u>	<u>Funds</u>
Revenues:						
Taxes.....	\$ 532,168	\$ 595,394	\$ 453,667	\$ 68,984	\$ -	\$ 1,650,213
Charges for services.....	295	-	-	-	-	295
Interest.....	2,029	2,875	1,835	382	-	7,121
Total revenues.....	<u>534,492</u>	<u>598,269</u>	<u>455,502</u>	<u>69,366</u>	<u>-</u>	<u>1,657,629</u>
Expenditures:						
Current:						
Sanitation.....	-	-	-	22,805	-	22,805
Culture and recreation.....	-	-	473,372	-	-	473,372
Total expenditures.....	<u>-</u>	<u>-</u>	<u>473,372</u>	<u>22,805</u>	<u>-</u>	<u>496,177</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures.....	<u>534,492</u>	<u>598,269</u>	<u>(17,870)</u>	<u>46,561</u>	<u>-</u>	<u>1,161,452</u>
Other Financing Sources (Uses):						
Operating transfers out.....	<u>(536,119)</u>	<u>(642,086)</u>	<u>(444,599)</u>	<u>-</u>	<u>-</u>	<u>(1,622,804)</u>
Total other financing						
sources (uses).....	<u>(536,119)</u>	<u>(642,086)</u>	<u>(444,599)</u>	<u>-</u>	<u>-</u>	<u>(1,622,804)</u>
Net Change in Fund Balances.....	<u>(1,627)</u>	<u>(43,817)</u>	<u>(462,469)</u>	<u>46,561</u>	<u>-</u>	<u>(461,352)</u>
Fund Balances, Beginning of Year.....	<u>3,763</u>	<u>449,201</u>	<u>283,433</u>	<u>96,224</u>	<u>(20,000)</u>	<u>812,621</u>
Fund Balances, End of Year.....	<u>\$ 2,136</u>	<u>\$ 405,384</u>	<u>\$ (179,036)</u>	<u>\$ 142,785</u>	<u>\$ (20,000)</u>	<u>\$ 351,269</u>

*See accompanying independent auditors' report.*

***City of Maplewood, Missouri***

Exhibit 14

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**PENSION TRUST FUND - SCHEDULE OF FUNDING PROGRESS**

**Year Ended June 30, 2004**

<u>Actuarial Valuation Date June 30,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAL as a Percentage of Covered Payroll</u>
1998	\$ 7,083,731	\$ 7,173,631	\$ 89,900	98.8 %	\$ 1,644,848	5.5 %
1999	\$ 8,013,607	\$ 7,576,414	\$ (437,193)	106.1 %	\$ 1,721,144	(25.4)%
2000	\$ 8,653,624	\$ 8,010,983	\$ (642,641)	108.0 %	\$ 1,733,984	(37.1)%
2001	\$ 8,334,104	\$ 8,383,609	\$ 49,505	99.4 %	\$ 1,865,202	2.7 %
2002	\$ 7,955,731	\$ 8,484,589	\$ 528,858	93.8 %	\$ 1,683,548	31.4 %
2003	\$ 8,089,096	\$ 8,807,251	\$ 718,155	91.8 %	\$ 1,788,154	40.2 %
2004	\$ 9,016,228	\$ 9,354,974	\$ 338,746	96.4 %	\$ 1,849,974	18.3 %

*See accompanying independent auditors' report.*

**City of Maplewood, Missouri**

Exhibit 15

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**PENSION TRUST FUND - SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Year Ended June 30, 2004**

<u>Year Ended June 30,</u>	<u>Annual Required Contribution {1}</u>	<u>Percentage Contributed</u>
1998	\$ 209,334	95.6 %
1999	\$ 192,004	109.2 %
2000	\$ 176,899	129.8 %
2001	\$ 257,492	89.1 %
2002	\$ 291,757	82.3 %
2003	\$ 317,577	74.8 %
2004	\$ 305,575	83.6 %

{1} Actuarially determined contribution requirements.

*See accompanying independent auditors' report.*

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) - SCHEDULE OF FUNDING PROGRESS**

**Year Ended June 30, 2004**

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Entry Age Actuarial Accrued Liability</u>	<u>(b-a) Unfunded Accrued Liability [UAL]</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Annual Covered Payroll</u>	<u>[(b-a)/c] a Percentage of Covered Payroll</u>
02/28/98	\$ 1,375,203	\$ 1,177,923	\$ (197,280)	117 %	\$ 953,645	(20.69)%
02/28/99	\$ 1,606,280	\$ 1,356,316	\$ (249,964)	118 %	\$ 1,058,890	(23.61)%
02/28/00	\$ 1,963,339	\$ 1,459,786	\$ (503,553)	134 %	\$ 1,078,805	(46.68)%
02/28/01	\$ 2,058,386	\$ 1,410,408	\$ (647,978)	146 %	\$ 1,218,803	(53.17)%
02/28/02	\$ 2,293,771	\$ 1,474,270	\$ (819,501)	156 %	\$ 1,099,719	(74.52)%
02/28/03	\$ 2,270,170	\$ 1,415,857	\$ (854,313)	160 %	\$ 896,869	(95.26)%
02/29/04	\$ 2,461,637	\$ 1,460,054	\$ (1,001,583)	169 %	\$ 844,686	(118.57)%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund.

**City of Maplewood, Missouri**

Exhibit 17

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**MISSOURI LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) - SCHEDULE OF EMPLOYER CONTRIBUTIONS**

**Year Ended June 30, 2004**

<u>Year Ended June 30.</u>	<u>Annual Required Contribution {1}</u>	<u>Percentage Contributed</u>
1998	\$ 65,291	100 %
1999	\$ 69,891	100 %
2000	\$ 69,078	100 %
2001	\$ 73,111	100 %
2002	\$ 53,292	100 %
2003	\$ 44,795	100 %
2004	\$ 41,187	100 %

{1} Actuarially determined contribution requirements.

*See accompanying independent auditors' report.*



**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2004**

	<u>Pension Trust Fund</u>	<u>LAGERS</u>
Valuation date	June 30, 2004	February 29, 2004
Actuarial cost method	Entry age normal	Entry age actuarial cost method
Amortization method	Level percentage of projected payroll	Level percentage of projected payroll
Amortization period	25 years open	15 years open
Actuarial asset valuation method	4-year smoothed market	5-year smoothed market
Actuarial assumptions:		
Investment rate of return	7.0%	7.5%
Projected salary increases	(*) 4%	4% - 8.2%
Post retirement benefit increases	None	None
Inflation	None	None
Other	None	1983 Group Annuity Mortality Table

(\*) Additional 6% at the end of the first five years of employment, 3% at the end of the sixth through tenth years of employment, and 1% thereafter.

**STATISTICAL SECTION (UNAUDITED)**

**City of Maplewood, Missouri**

Table 1

**GOVERNMENT-WIDE EXPENSES BY FUNCTION**

**Year Ended June 30, 2004**

<u>Function</u>	
General Government.....	\$ 940,449
Parks and Recreation.....	603,031
Judicial.....	447,076
Planning.....	38,208
Public Works.....	1,980,799
Public Safety.....	2,995,812
Community Development.....	44,811
Interest and Fiscal Charges.....	<u>1,148,557</u>
Total.....	<u>\$ 8,198,743</u>

Source: Basic financial statements.

***City of Maplewood, Missouri***

Table 2

**GOVERNMENT-WIDE REVENUES BY SOURCE**

**Year Ended June 30, 2004**

**Source:**

**Program Revenues:**

Charges for services.....	\$ 1,474,292
Operating grants and contributions.....	16,639
Capital grants and contributions.....	1,451,175

**General Revenues:**

Taxes.....	6,381,848
Unrestricted interest earnings.....	17,987
Sale of capital assets.....	<u>33,309</u>
Total Revenues.....	<u>\$ 9,375,250</u>

Source: Basic financial statements.

# City of Maplewood, Missouri

Table 3

## GENERAL GOVERNMENTAL EXPENDITURES - BY FUNCTION (1) - MODIFIED ACCRUAL BASIS

### Last Ten Fiscal Years

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
General Government.....	\$ 950,661	\$ 815,700	\$ 890,173	\$ 951,234	\$ 877,983	\$ 1,822,817	\$ 1,195,765	\$ 1,205,826	\$ 869,470	\$ 1,304,247
Public Safety.....	2,144,638	2,238,189	2,605,071	2,598,659	2,670,268	2,895,223	2,803,321	2,769,596	2,795,284	2,958,416
Highways and Streets.....	703,668	782,879	694,444	821,138	903,303	985,334	975,146	1,224,814	1,289,854	1,015,328
Sanitation.....	200,140	205,352	209,663	199,956	230,912	222,984	217,938	234,670	126,828	46,555
Welfare and Community Development.....	2,146,998	13,688	40,670	1,057,572	403,740	-	-	-	-	-
Culture and Recreation.....	438,501	453,616	525,162	579,903	543,480	536,852	1,052,821	5,727,282	158,350	473,372
Special Business District.....	59,455	31,919	52,609	330,474	98,405	45,212	128,924	39,216	27,391	44,811
1/2 Cent Capital Improvement.....	-	50,516	1,180,455	906,039	929,560	127,457	285,751	1,951,091	535,446	1,778,545
Special Capital Project Improvements.....	-	268,832	136,916	552,847	155,625	185,595	186,802	257,257	467,588	496,569
Deer Creek.....	-	-	-	-	4,910	-	6,668	97,264	321,499	-
Park and Storm.....	(6,208)	-	-	-	6,000	9,361	10,637	862,543	544,176	169,184
Sewer Lateral.....	-	-	-	-	50,603	60,719	50,959	58,340	34,886	-
Debt Service.....	442,176	293,140	347,029	284,881	4,906,932	1,134,648	1,047,612	1,821,451	1,653,564	1,506,937
Totals.....	<u>\$ 7,080,029</u>	<u>\$ 5,153,831</u>	<u>\$ 6,682,192</u>	<u>\$ 8,282,703</u>	<u>\$ 11,781,721</u>	<u>\$ 8,026,202</u>	<u>\$ 7,962,344</u>	<u>\$ 16,249,350</u>	<u>\$ 8,824,336</u>	<u>\$ 9,793,964</u>

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

***City of Maplewood, Missouri***

Table 4

**GENERAL GOVERNMENTAL REVENUES - BY SOURCE (1) - MODIFIED ACCRUAL BASIS**

**Last Ten Fiscal Years**

	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Taxes.....	\$ 3,615,923	\$ 5,228,539	\$ 4,713,932	\$ 4,806,555	\$ 5,634,337	\$ 6,220,492	\$ 6,170,308	\$ 6,032,276	\$ 5,851,864	\$ 6,381,848
Licenses and Permits.....	445,950	433,882	477,585	552,619	442,680	548,339	541,907	565,751	581,415	652,266
Intergovernmental.....	469,400	530,843	529,181	1,203,073	842,803	765,528	779,715	1,779,491	707,429	1,467,814
Charges for Services.....	157,263	154,808	150,567	159,988	154,967	160,903	144,723	53,438	48,155	357,126
Fines and Forfeitures.....	144,128	174,711	194,399	205,051	269,680	362,476	369,645	427,706	444,861	464,900
Interest.....	56,019	114,812	145,812	87,574	70,423	135,426	205,932	273,659	41,023	17,987
Miscellaneous.....	77,565	145,220	278,910	88,003	97,530	128,131	142,835	298,342	389,917	33,309
<b>Totals.....</b>	<b>\$ 4,966,248</b>	<b>\$ 6,782,815</b>	<b>\$ 6,490,386</b>	<b>\$ 7,102,863</b>	<b>\$ 7,512,420</b>	<b>\$ 8,321,295</b>	<b>\$ 8,355,065</b>	<b>\$ 9,430,663</b>	<b>\$ 8,064,664</b>	<b>\$ 9,375,250</b>

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

Table 4A

**GENERAL GOVERNMENTAL TAX REVENUES - BY SOURCE - MODIFIED ACCRUAL BASIS**

**Last Ten Fiscal Years**

	<b>Property Taxes</b>	<b>Gross Receipts Taxes</b>	<b>Sales Taxes</b>	<b>Financial Institution Tax</b>	<b>Total</b>
1995.....	\$ 924,588	\$ 1,136,801	\$ 1,536,388	\$ 18,146	\$ 3,615,923
1996.....	\$ 984,042	\$ 1,252,981	\$ 2,982,668	\$ 8,848	\$ 5,228,539
1997.....	\$ 1,193,409	\$ 1,242,163	\$ 2,274,385	\$ 3,975	\$ 4,713,932
1998.....	\$ 1,212,105	\$ 1,352,589	\$ 2,239,606	\$ 2,255	\$ 4,806,555
1999.....	\$ 1,082,487	\$ 1,367,336	\$ 3,181,069	\$ 3,445	\$ 5,634,337
2000.....	\$ 1,366,098	\$ 1,388,779	\$ 3,461,096	\$ 4,519	\$ 6,220,492
2001.....	\$ 1,462,070	\$ 1,623,470	\$ 3,084,768	\$ -	\$ 6,170,308
2002.....	\$ 1,669,026	\$ 1,415,251	\$ 2,947,999	\$ -	\$ 6,032,276
2003.....	\$ 1,781,744	\$ 1,480,299	\$ 2,580,687	\$ 9,134	\$ 5,851,864
2004.....	\$ 1,798,401	\$ 1,445,700	\$ 3,135,659	\$ 2,088	\$ 6,381,848

***City of Maplewood, Missouri***

Table 5

**PROPERTY TAX LEVIES AND COLLECTIONS**

**Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>Original Levy</b>	<b>Adjusted Levy [1]</b>	<b>Current Tax Collections</b>	<b>% of Current Collections</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>% of Total Collection</b>	<b>Outstanding Delinquent Tax</b>	<b>% of Outstanding Delinquent Tax</b>
1995.....	\$ 748,920	\$ 749,216	\$ 661,056	88.23 %	\$ 84,907	\$ 745,963	99.57 %	\$ 161,085	21.50 %
1996.....	\$ 772,527	\$ 769,906	\$ 696,343	90.45 %	\$ 89,861	\$ 786,204	102.12 %	\$ 126,980	16.49 %
1997.....	\$ 800,299	\$ 802,911	\$ 721,989	89.92 %	\$ 91,962	\$ 813,951	101.37 %	\$ 144,784	18.03 %
1998.....	\$ 831,272	\$ 832,227	\$ 733,872	86.86 %	\$ 128,377	\$ 862,249	103.61 %	\$ 133,132	16.00 %
1999.....	\$ 756,467	\$ 755,228	\$ 665,317	88.09 %	\$ 99,899	\$ 765,216	101.32 %	\$ 127,893	16.93 %
2000.....	\$ 802,225	\$ 803,690	\$ 706,770	87.94 %	\$ 94,928	\$ 801,698	99.75 %	\$ 137,899	17.16 %
2001.....	\$ 826,201	\$ 830,805	\$ 744,646	89.63 %	\$ 102,702	\$ 847,348	105.42 %	\$ 124,668	15.01 %
2002.....	\$ 854,494	\$ 854,576	\$ 753,612	88.19 %	\$ 90,497	\$ 844,109	98.78 %	\$ 145,886	17.07 %
2003.....	\$ 942,597	\$ 941,092	\$ 837,427	88.98 %	\$ 98,046	\$ 935,473	99.40 %	\$ 157,992	16.79 %
2004.....	\$ 954,964	\$ 958,096	\$ 862,636	90.04 %	\$ 108,328	\$ 970,964	101.34 %	\$ 141,142	14.73 %

[1] Represents preceding calendar year levy, collectible in current fiscal year. Taxes are collected by the St. Louis County Collector and remitted to the City. A fee of 1% is charged by the St. Louis County Collector for tax collections. It is the responsibility of St. Louis County to take the necessary legal action to enforce collection, including, if necessary, the sale of property.

Source of Data: St. Louis County Collector's Office.

***City of Maplewood, Missouri***

Table 6

**ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY**

**Last Ten Fiscal Years**

<u>Fiscal Year Ended</u>	<u>Real Property Assessed Value</u>	<u>Estimated Actual Value Real Property</u>	<u>Personal Property Assessed Value</u>	<u>Estimated Actual Value Personal Property</u>	<u>Total Assessed Value</u>	<u>Estimated Actual Property Value</u>	<u>Ratio of Total A.V. to Actual Value</u>
1995.....	\$ 60,991,576	\$ 252,642,565	\$ 14,413,223	\$ 43,282,952	\$ 75,404,799	\$ 295,925,517	25.48 %
1996.....	\$ 59,633,224	\$ 257,988,080	\$ 14,974,701	\$ 44,989,072	\$ 74,607,925	\$ 302,977,152	24.63 %
1997.....	\$ 60,584,597	\$ 260,672,833	\$ 16,613,913	\$ 49,891,631	\$ 77,198,510	\$ 310,564,464	24.86 %
1998.....	\$ 63,398,039	\$ 272,712,830	\$ 16,837,586	\$ 50,563,321	\$ 80,235,625	\$ 323,276,151	24.82 %
1999.....	\$ 62,665,530	\$ 270,400,026	\$ 17,610,312	\$ 52,883,820	\$ 80,275,842	\$ 323,283,846	24.83 %
2000.....	\$ 68,514,874	\$ 291,499,030	\$ 18,680,393	\$ 56,097,276	\$ 87,195,267	\$ 347,596,306	25.09 %
2001.....	\$ 68,909,625	\$ 292,572,499	\$ 20,943,034	\$ 62,891,994	\$ 89,852,659	\$ 355,464,493	25.28 %
2002.....	\$ 80,288,090	\$ 348,609,596	\$ 19,999,544	\$ 62,886,865	\$ 100,287,634	\$ 411,496,461	24.37 %
2003.....	\$ 86,561,935	\$ 378,933,808	\$ 18,901,587	\$ 56,710,432	\$ 105,463,522	\$ 435,644,240	24.21 %
2004.....	\$ 84,699,443	\$ 370,199,811	\$ 18,683,104	\$ 56,105,417	\$ 103,382,547	\$ 426,305,228	24.25 %

Source of Data: St. Louis County Assessor's Office.



# City of Maplewood, Missouri

Table 7

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

### Last Ten Fiscal Years

(Property tax rates per \$100 of assessed value)

Taxing Jurisdiction	1996	1997	1998	1999	2000	2001	2002	2002	2003	2004
City of Maplewood:										
Operating Rate.....	0.550	0.570	0.570	0.570	0.600	0.570	0.570	0.538	0.527	0.542
Special Projects Capital										
Improvement.....	0.270	0.270	0.270	0.270	0.140	0.170	0.170	0.254	0.249	0.218
Pension Rate.....	0.247	0.247	0.247	0.247	0.247	0.247	0.247	0.232	0.228	0.235
Maplewood-Richmond Hts Schools:										
Operating Rate.....	3.710	4.010	4.150	4.150	4.260	4.313	4.691	4.691	4.491	5.491
State of Missouri:										
Operating Rate.....	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
St. Louis County:										
Operating Rate.....	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.190	0.255
Debt Service Rate.....	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	-
Park Maintenance.....	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.045
Health/Hospital.....	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.165	0.175
Road and Bridge.....	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105	0.105
Special School District:										
Operating Rate.....	0.620	0.630	0.620	0.620	0.620	0.623	0.835	0.849	0.854	0.905
St. Louis Comm. College:										
Operating Rate.....	0.240	0.240	0.240	0.240	0.240	0.240	0.230	0.232	0.231	0.237
Metro. Zoo, Park and Museum:										
Operating Rate.....	0.228	0.232	0.232	0.232	0.227	0.232	0.222	0.222	0.226	0.276
Sheltered Workshop:										
Operating Rate.....	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085
Maplewood Library:										
Operating Rate.....	0.200	0.200	0.200	0.200	0.250	0.250	0.234	0.241	0.229	0.243
Metro. Sewer District:										
Operating Rate.....	0.070	0.070	0.070	0.070	0.070	0.070	0.069	0.069	0.069	0.069
Deer Creek Debt Service.....	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Black Creek Debt Service.....	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Antipollution Debt Service.....	-	0.020	0.020	0.020	0.020	0.020	0.019	-	-	-
<b>Total City and Overlapping Taxes..</b>	<b>\$ 6.950</b>	<b>\$ 7.304</b>	<b>\$ 7.434</b>	<b>\$ 7.434</b>	<b>\$ 7.489</b>	<b>\$ 7.550</b>	<b>\$ 8.102</b>	<b>\$ 8.143</b>	<b>\$ 7.919</b>	<b>\$ 9.031</b>
<b>Total City Taxes.....</b>	<b>\$ 1.067</b>	<b>\$ 1.087</b>	<b>\$ 1.087</b>	<b>\$ 1.087</b>	<b>\$ 0.987</b>	<b>\$ 0.987</b>	<b>\$ 0.987</b>	<b>\$ 1.024</b>	<b>\$ 1.004</b>	<b>\$ 0.995</b>

Source of Data: St. Louis County Assessor's Office and City of Maplewood Ordinances.

**City of Maplewood, Missouri**

**COMPUTATION OF LEGAL DEBT MARGIN**

**June 30, 2004**

Net Assessed Value (January 1, 2003).....	<u>\$ 103,382,547</u>
Debt Limit - 10% of Assessed Value*.....	\$ 10,338,255
Amount of Debt Applicable to Debt Limit - Total Bonded Debt.....	<u>5,095,000</u>
Legal Debt Margin.....	<u>\$ 5,243,255</u>

\* Under Article VI, Sections 26(b) and 26(c) of the Constitution, the City, by vote of 2/3 of the qualified electors thereof voting thereon, may incur general obligation bonded indebtedness for City purposes in an amount not to exceed 10% of the assessed valuation of taxable tangible property within the City as ascertained by the last completed assessment for state or county purposes. Under Section 26(d) of said Article VI, the City may incur general obligation indebtedness not exceeding in the aggregate an additional 10% of the aforesaid assessed valuation "for the purpose of acquiring rights-of-way, constructing, extending and improving the streets and avenues and acquiring rights-of-way, constructing and improving sanitary or storm sewer systems" and under Section 26(e) of said Article VI, additional general obligation indebtedness may be incurred for "purchasing or constructing waterworks, electric or other light plants to be owned exclusively by the City, provided that the total general obligation indebtedness of the City shall not exceed 20% of the assessed valuation".

Source of Data: St. Louis County Assessor.

**City of Maplewood, Missouri**

Table 9

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**

**Last Ten Fiscal Years**

<b>Fiscal Year Ended</b>	<b>(1) Population</b>	<b>(2) Total Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>(3) Less Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
1995.....	9,962	\$ 75,404,799	\$ -	\$ -	\$ -	- %\$	-
1996.....	9,962	\$ 74,607,925	\$ -	\$ -	\$ -	- %\$	-
1997.....	9,962	\$ 77,198,510	\$ -	\$ -	\$ -	- %\$	-
1998.....	9,962	\$ 80,235,625	\$ -	\$ -	\$ -	- %\$	-
1999.....	9,962	\$ 80,275,842	\$ -	\$ -	\$ -	- %\$	-
2000.....	9,962	\$ 87,195,267	\$ -	\$ -	\$ -	- %\$	-
2001.....	9,228	\$ 89,852,659	\$ 5,655,000	\$ 20,089	\$ 5,634,911	6.27 %\$	610.63
2002.....	9,228	\$ 100,287,634	\$ 5,475,000	\$ -	\$ 5,475,000	5.46 %\$	593.30
2003.....	9,228	\$ 105,463,522	\$ 5,290,000	\$ -	\$ 5,290,000	5.02 %\$	573.26
2004.....	9,228	\$ 103,382,547	\$ 5,095,000	\$ -	\$ 5,095,000	4.93 %\$	552.12

- (1) U.S. Census Bureau.
- (2) Figures are from Table 4.
- (3) Amount available for repayment of general obligation bonds.

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO  
TOTAL GENERAL GOVERNMENTAL EXPENDITURES - MODIFIED ACCRUAL BASIS**

**Last Ten Fiscal Years**

<u>Fiscal Year Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service {2}</u>	<u>Total General Governmental Expenditures {1}</u>	<u>Ratio: Debt Service to General Governmental Expenditures</u>
1995.....	\$ 250,000	\$ 11,250	\$ 261,250	\$ 7,086,237	3.69 %
1996.....	\$ -	\$ -	\$ -	\$ 5,153,831	- %
1997.....	\$ -	\$ -	\$ -	\$ 6,682,192	- %
1998.....	\$ -	\$ -	\$ -	\$ 8,282,703	- %
1999.....	\$ -	\$ -	\$ -	\$ 11,781,721	- %
2000.....	\$ -	\$ -	\$ -	\$ 8,026,202	- %
2001.....	\$ -	\$ -	\$ 5,655,000	\$ 7,962,344	71.02 %
2002.....	\$ 180,000	\$ 267,849	\$ 5,475,000	\$ 16,249,350	33.70 %
2003.....	\$ 185,000	\$ 258,949	\$ 5,290,000	\$ 8,824,336	59.95 %
2004.....	\$ 195,000	\$ 284,415	\$ 5,095,000	\$ 9,793,964	52.02 %

{1} From Table 1.

{2} General obligation bonds payable.

**City of Maplewood, Missouri**

Table 11

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

**June 30, 2004**

<u>Jurisdiction</u>	<u>Net Outstanding Debt</u>	<u>% Applicable to Maplewood</u>	<u>Amount Applicable to Maplewood</u>
City of Maplewood.....	\$ 5,095,000	100 %	\$ 5,095,000
Maplewood-R.H. School District.....	\$ 20,200,000	56.50 %	11,413,000
St. Louis County.....	\$ 107,830,000	0.55 %	<u>593,065</u>
Total Direct and Overlapping Debt.....			<u>\$ 17,101,065</u>

Source of Data: The above-named jurisdictions.

**DEMOGRAPHIC STATISTICS**

**Last Ten Fiscal Years**

<u>Fiscal Year Ended</u>	<u>(1) Population</u>	<u>(1) Per Capita Income</u>	<u>(1) Median Age</u>	<u>(1) Education Level in Years Completed</u>	<u>(2) School Enrollment</u>	<u>(3) Unemployment Rate</u>
1995.....	9,962	\$ 12,264	33.2	13	1,350	3.3 %
1996.....	9,962	\$ 12,264	33.2	13	1,279	4.6 %
1997.....	9,962	\$ 12,264	33.2	13	1,224	2.7 %
1998.....	9,962	\$ 12,264	33.2	13	1,150	2.8 %
1999.....	9,962	\$ 12,264	33.2	13	1,080	3.0 %
2000.....	9,962	\$ 12,264	33.2	13	1,067	3.0 %
2001.....	9,228	\$ 25,115	33.8	14	1,132	4.2 %
2002.....	9,228	\$ 44,178	33.8	14	1,139	4.2 %
2003.....	9,228	\$ 44,178	33.8	14	1,077	4.9 %
2004.....	9,228	\$ 44,178	33.8	14	1,098	4.7 %

**Data Sources:**

- (1) U.S. Census Bureau.
- (2) Maplewood-Richmond Heights School District.
- (3) Missouri Department of Economic Development.

**City of Maplewood, Missouri**

Table 13

**PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS**

**Last Ten Fiscal Years**

<u>Fiscal Year Ended</u>	<u>Real Estate Property Value {3}</u>				<u>{3} Total Real Property A.V.</u>	<u>Number of Construction Permits {1}</u>	<u>{1} Value of Construction</u>	<u>{2} Bank Deposits</u>
	<u>Commercial</u>	<u>Residential</u>	<u>Local RR &amp; Utility</u>	<u>State RR &amp; Utility</u>				
1995.....	\$ 30,282,250	\$ 29,017,450	\$ 23,650	\$ 1,668,226	\$ 60,991,576	278	\$ 459,845	\$ 241,527,922
1996.....	\$ 24,431,730	\$ 33,502,790	\$ 17,150	\$ 1,681,554	\$ 59,633,224	479	\$ 1,588,130	\$ 261,496,000
1997.....	\$ 25,534,730	\$ 33,367,960	\$ 17,150	\$ 1,664,757	\$ 60,584,597	394	\$ 7,069,500	\$ 287,938,000
1998.....	\$ 26,890,270	\$ 34,887,020	\$ 17,670	\$ 1,603,079	\$ 63,398,039	387	\$ 15,788,600	\$ 332,502,000
1999.....	\$ 26,162,200	\$ 34,875,930	\$ 17,670	\$ 1,609,730	\$ 62,665,530	344	\$ 253,220	\$ 321,755,000
2000.....	\$ 30,754,920	\$ 36,194,730	\$ 17,220	\$ 1,548,004	\$ 68,514,874	370	\$ 1,333,696	\$ 374,828,000
2001.....	\$ 31,144,390	\$ 36,119,840	\$ 86,470	\$ 1,558,925	\$ 68,909,625	327	\$ 1,683,823	\$ 429,066,000
2002.....	\$ 34,147,830	\$ 44,517,410	\$ 15,840	\$ 1,607,010	\$ 80,288,090	472	\$ 5,451,642	\$ 473,984,303
2003.....	\$ 34,296,510	\$ 50,710,830	\$ 16,450	\$ 1,538,145	\$ 86,561,935	488	\$ 15,923,349	\$ 484,704,000
2004.....	\$ 33,680,300	\$ 49,348,110	\$ -	\$ 1,671,033	\$ 84,699,443	427	\$ 26,238,464	\$ 610,577,541

Data Sources:

- {1} Maplewood Public Works Department.
- {2} Citizens National Bank and Pioneer Bank.
- {3} St. Louis County Assessor's Office.

**City of Maplewood, Missouri**

Table 14

**PRINCIPAL TAXPAYERS**

**June 30, 2004**

<u>Taxpayer</u>	<u>Business Type</u>	<u>2004 Assessed Value</u>	<u>% of Total A.V.</u>
Sunquad Limited Partnership.....	Commercial Developer	\$ 10,600,180	10.25 %
Sunnen Products Company.....	Manufacturer	4,852,870	4.69
Summit Development.....	Commercial Developer	2,304,510	2.23
Bradley Operating LTD Partnership.....	Commercial Developer	1,583,840	1.53
Enterprise Leasing.....	Car Leasing	1,375,440	1.33
Cardinal Health 200 Incorporated.....	Health Care Provider	966,210	0.93
St. Louis Brewery Incorporated.....	Brewery	782,970	0.76
Citizens National Bank.....	Bank	648,360	0.64
Maplewood South Development.....	Commercial Development	614,680	0.59
Draper Douglas Company.....	Delivery Service	<u>528,830</u>	<u>0.51</u>
Total Assessed Value 2004 - Principal Taxpayers.....		<u>\$ 24,257,890</u>	<u>23.46 %</u>
Total Assessed Value 2004 - All Taxpayers.....		<u>\$ 103,382,547</u>	<u>100.00 %</u>

Source of Data: St. Louis County Assessor's Office.



**City of Maplewood, Missouri**

Table 15

**SCHEDULE OF INSURANCE COVERAGE**

**June 30, 2004**

<u>Type of Coverage and Company Name</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Details of Coverage</u>	<u>Liability Limits</u>	<u>Annual Premium</u>
Comprehend. Business Policy CHUBB	200115	7/1/03- 7/1/04	Blanket Building and Contents	90% coinsurance: \$11,609,453	\$ 39,409
			Inland Marine Schedule:		
			Misc. Property Floater,	\$250,000	
			Valuable Papers,	\$442,382	
			Business Auto:		
			Owned autos, actual cash value/cost of repair;	\$1,033,731	
			Comprehensive - \$1,000 deductible		
			Collision - \$1,000 deductible		
			Earthquake: \$5,000,000 - deductible, \$50,000		
St. Louis Area Insurance Trust (S.L.A.I.T.)	GL011 - 03	7/1/03- 7/1/04	Products/completed operations	\$2,000,000	\$ 57,166
			Bodily injury and property damage	\$2,000,000	
			Personal injury and advertising injury	\$2,000,000	
			Law enforcement	\$2,500 deductible	
			General liability	\$500 deductible	
	AL011-03	7/1/03- 7/1/04	Auto Liability	\$2,000,000	
			Auto Medical Payments	\$250	
			Uninsured and	\$100,000	
			Underinsured Motorists		
DIC Great American	IMP 1623615	7/1/03- 7/1/04		\$6,609,453	\$ 5,921

**City of Maplewood, Missouri**

Table 15, (Continued)

**SCHEDULE OF INSURANCE COVERAGE, (Continued)**

**June 30, 2004**

<u>Type of Coverage and Company Name</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Details of Coverage</u>	<u>Liability Limits</u>	<u>Annual Premium</u>
Public Official's Liability - Northland	223642559	7/1/03-7/1/04	Claims Made - Public Officials	\$1,000,000 aggregate	\$ 8,583
Workers' Comp. - St. Louis Area Ins. Trust (S.L.A.I.T. 1491)	2003-015	7/1/03-7/1/04	Worker's Comp./Employer's Liability	\$1,000,000	\$ 87,752
Public Official Surety Bonds -					
Capital Indemnity	PO796198	7/27/03-7/27/04	Assistant City Manager/City Clerk	\$ 100,000	\$ 250
Kemper Insurance Co.	908448	7/23/03-7/23/04	City Manager	\$ 100,000	\$ 250
Capital Indemnity	PO5757	2/10/03-2/10/04	Court Clerk	\$ 20,000	\$ 100
Reliance	14579680N	4/25/04-4/24/08	Notary	\$ 10,000	\$ 50
Reliance	N54228066	8/18/00-8/17/04	Notary	\$ 10,000	\$ 50
Reliance	14539980N	11/12/03-11/11/07	Notary	\$ 10,000	\$ 50
CNA Surety	N54230161	1/29/01 - 1/28/05	Notary	\$ 10,000	\$ 50
Public Employee Blanket Bond -					
Capital Indemnity	907952	1/1/04-1/1/05		\$ 500,000	\$ 1,572
Fiduciary Liability Policy -					
Travelers Insurance Co.	51FF103009827	3/1/03-3/1/04		\$1,000,000	\$ 2,148

Source of Data: City's Insurance Policies.

***City of Maplewood, Missouri***

Table 16

**SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS**

**June 30, 2004**

<u>Official's Name/Title</u>	<u>Annual Salary</u>	<u>Amount of Bond</u>
Martin J. Corcoran, City Manager.....	\$ 102,974	\$ 100,000
Anthony J. Traxler, Assistant City Manager/City Clerk.....	\$ 48,526	\$ 100,000
Ruth Wisnewski, Court Clerk.....	\$ 33,384	\$ 20,000
Jim White, Public Safety Director.....	\$ 71,330	*
Charlie Granda, Assistant Fire Chief.....	\$ 62,130	*
John Openlander, Director of Public Works.....	\$ 66,155	*
Carolyn Brown, Accounting Supervisor.....	\$ 47,632	*

\*Blanket Surety Bond-limit \$100,000.

# City of Maplewood, Missouri

Table 17

## MISCELLANEOUS STATISTICS

June 30, 2004

Date of Incorporation: 1908

Form of Government: Mayor - Council - Manager

Number of Employees (Excluding Police and Fire): 24

Area in Square Miles: 1.553 Square Miles

### City of Maplewood Facilities and Services:

Miles of streets: 28

Number of street lights: 804

Miles of sidewalks: 50

City Hall located at 7601 Manchester

Includes: Fire & Police Stations

Street Department Service Garage:

\* All street maintenance equipment is stored here.

Parks Department Service House:

\* Located in Deer Creek Park, most park maintenance equipment is stored here.

### City of Maplewood Fire Protection:

Number of stations: 1

Number of fire personnel including officers: 18

Number of fire calls through 6/30/04: 895

Number of ambulance calls through 6/30/04: 812

Number of fire safety inspections through 6/30/04: 2,328

### City of Maplewood Culture and Recreation:

Community centers: 2

Parks: 11

Park acreage: 29.84

Swimming pools: 3

Tennis courts: 2

Ballfields: 3

Playgrounds: 6

Lighted ballfields: 2

Soccer fields: 3

### City of Maplewood Police Protection:

Number of stations: 2

Number of commissioned police officers: 24

Number of patrol units: 11

Number of F.Y. 2004

Physical arrests: 755

Traffic tickets: 3,186

Parking tickets: 1,010

# City of Maplewood, Missouri

Table 17, (Continued)

## MISCELLANEOUS STATISTICS, (Continued)

June 30, 2004

### Facilities and Services not Included in the Reporting Entity:

#### Metropolitan St. Louis Sewer District:

Miles of combined sewers:	27.9
Miles of service connections:	5,432

#### St. Louis County Water:

Miles of water mains:	3,843.44
Number of service connections:	3,133
Daily avg. consumption:	46,235,300 cubic feet

#### Maplewood - Richmond Heights School District:

Elementary schools:	1
Middle schools:	1
High schools:	1
Pre - schools:	1
Elementary teachers:	51
Middle school teachers:	18
High school teachers:	29

#### St. Mary's Health Center:

Number of patient beds:	632
-------------------------	-----

#### Forest Park Hospital:

Number of patient beds:	527
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#### Source of Data:

City Fire Department, Parks and Recreation Department, Police Department, Public Works Department, Executive Department, Metropolitan St. Louis Sewer District, St. Louis County Water, Maplewood - Richmond Heights School District, St. Mary's Health Center, and Forest Park Hospital.

**COMPLIANCE AND INTERNAL CONTROL SECTION**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor, Members of the  
City Council and City Manager  
*City of Maplewood, Missouri*

We have audited the basic financial statements of the *City of Maplewood, Missouri* as of and for the year ended June 30, 2004, and have issued our report thereon dated October 18, 2004. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the *City of Maplewood, Missouri's* basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the *City of Maplewood, Missouri's* internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the audit committee and management and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

UHY<sup>LLP</sup>

St. Louis, Missouri  
October 18, 2004

**SINGLE AUDIT SECTION**



# City of Maplewood, Missouri

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2004

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass- Through Grantors' Number	Federal Expend- itures
<u>U.S. Department of Housing and Urban Development (Note 1):</u>			
Passed through St. Louis County Department of Human Services:			
• Community Development Block Grant - Rehab of private property.....	14.218	25-489	\$ 56,534
• Community Development Block Grant - Rehab of private property.....	14.218	25-479	52,359
• Community Development Block Grant - Rehab of Greenwood Park.....	14.218	25-475	<u>10,000</u>
Subtotal - Community Development Block Grant.....			<u>118,893</u>
Subtotal - U.S. Department of Housing and Urban Development.....			<u>118,893</u>
<u>U.S. Department of Transportation</u>			
Surface Transportation Program*- Manchester Avenue Improvements.....	20.205	STP-5537-610	<u>1,423,314</u>
Surface Transportation Program*- Collector Street Project.....	20.205	STP-5536-607	<u>-</u>
Subtotal Surface Transportation Program.....			* <u>1,423,314</u>
Subtotal - U.S. Department of Transportation.....			<u>1,423,314</u>
<u>U.S. Department of Homeland Security</u>			
Assistance to Firefighters Grant.....	83.554	EMW-2003-FG-02:	<u>44,109</u>
Subtotal Assistance to Firefighters Grant.....			<u>44,109</u>
Subtotal U.S. Department of Justice.....			<u>44,109</u>
Total Expenditures of Federal Awards.....			<u>\$ 1,586,316</u>

Note 1. This information has been audited by other auditors.

{\*} Denotes a major program.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Mayor, Members of the  
City Council and City Manager  
*City of Maplewood, Missouri*

Compliance

We have audited the compliance of the *City of Maplewood, Missouri's* with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The *City of Maplewood, Missouri's* major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the *City of Maplewood, Missouri's* management. Our responsibility is to express an opinion on the *City of Maplewood, Missouri's* compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the *City of Maplewood, Missouri's* compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the *City of Maplewood, Missouri's* compliance with these requirements.

In our opinion, based on our audit, the *City of Maplewood, Missouri* complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the *City of Maplewood, Missouri* is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the *City of Maplewood, Missouri's* internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Based on our audits, we noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

UHY<sup>LLP</sup>

St. Louis, Missouri  
October 18, 2004

**City of Maplewood, Missouri**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**Year Ended June 30, 2004**

**A. Summary of Audit Results**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the *City of Maplewood, Missouri*.
2. No reportable conditions on internal control over financial reporting were reported during the audit.
3. No instances of noncompliance material to the general purpose financial statements of the *City of Maplewood, Missouri* were disclosed during the audit.
4. No reportable conditions on internal control of the major federal award programs were reported during the audit.
5. The auditor's report on compliance for the major federal award programs for the *City of Maplewood, Missouri* expresses an unqualified opinion.
6. The audit did not disclose any audit findings that are required to be reported in accordance with Section 510(a) of Circular A-133.
7. The programs tested as major programs included:

	CFDA Number
U.S. Department of Transportation Surface Transportation Program.....	20.205

8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. The *City of Maplewood, Missouri* was not determined to be a low-risk auditee.

**B. Financial Statement Findings**

No matters were reported.

**C. Federal Award Findings and Questioned Costs:**

No matters were reported.

***City of Maplewood, Missouri***

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year Ended June 30, 2004**

**Prior Year Findings - Year Ended June 30, 2003**

No matters were reported.