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Comprehensive Annual Financial Report, 1997

City of Des Peres

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Comprehensive Annual Financial Report

City of Des Peres, Missouri

For the Year Ended December 31, 1997



Des Peres City Hall
Des Peres, Mo.
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Richard E. Long

CITY OF DES PERES, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 1997

Report issued by the Finance Department

Brett Vuagniaux
Director of Finance

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Part 1

Introductory Section



City of Des Peres
Missouri
April 15, 1997

Sharon Burkhardt
Mayor

Honorable Sharon Burkhardt
Mayor, City of Des Peres, Missouri
And Members of the Board of Aldermen

Ladies and Gentlemen:

We hereby transmit the comprehensive annual financial report of the City of Des Peres, Missouri (City), as of December 31, 1997, and for the year then ended. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. Management believes that the data, as presented, is accurate in all material respects; is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

This report has been prepared following the guidelines recommended by the Government Finance Officers' Association of the United States and Canada. This association awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose annual financial reports are judged to conform substantially with high standards of public financial reporting including generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. It is our belief that the accompanying Fiscal Year 1997 Financial Report meets program standards, and it will be submitted to the Government Finance Officers' Association for review.

In accordance with the above-mentioned guidelines, the accompanying report consists of three parts:

1. Introductory section, including the letter of transmittal; a list of City officials and the City's organizational chart.
2. Financial section, including the financial statements and supplemental data of the government accompanied by our independent auditors' report on the general purpose financial statements and schedules.
3. Statistical section, including a number of tables of unaudited data depicting the financial history of the government for the past ten years, information on overlapping governments, and demographic and other miscellaneous information.

Honorable Mayor and Members of the
Board of Aldermen
City of Des Peres, Missouri

The Code of Ordinances requires that the financial statements of the City of Des Peres be audited by a certified public accountant. This requirement has been complied with and our auditor's opinion is included in the financial section of this report.

Economic Condition and Outlook

The economic base of the City of Des Peres consists primarily of retail outlet shopping centers and commercial office buildings. The Manchester Road corridor contains the majority of retail activity. The intersection of Manchester Road and Interstate 270 has created a very vital thoroughfare. The State Highway and Transportation Department has labeled this intersection as one of the busiest in the State of Missouri. The presence of this traffic provides retailers with very desirable marketing advantages.

The City of Des Peres is home to West County Center - a regional shopping mall. The mall owners have formally announced a redevelopment plan that includes two additional anchors. Namely, Nordstrom, a Seattle-based retailer, and Lord and Taylor, a division of the May Company. The targeted completion date is the Fall of 2001. The City approved the redevelopment plan for this mall which involves remodeling, obtaining a third anchor tenant, doubling small tenant space, and adding additional parking spaces. This redevelopment is vital to protect the retail market share for the Center. This redevelopment was made possible through the establishment of a Tax Increment Financing package approved by the Mayor and Board of Aldermen. In addition to the mall, there are many local strip-shopping locations, including Schnucks Center, Des Peres Square, Colonnade Center, and Olympic Oaks Village Shopping Center.

Commercial office activities remain a very large part of the local economy. Edward Jones, an investment banking company, is headquartered in Des Peres. Southwestern Bell has completed constructing a 150,000 square foot office building adding to an already strong presence for Southwestern Bell, including operations for Southwestern Bell Mobile Systems, Southwestern Bell Telecom, and Southwestern Bell Yellow Pages. In addition to these recent developments, Southwest Bank has received approval to construct their 140,000 square foot headquarters in Des Peres.

The City of Des Peres has experienced increases in revenues on average of 2.83% over the last ten years. As we look to the future, the City of Des Peres has made a strong commitment to attracting new retail and commercial office development. The City has eliminated all real estate tax assessments while still being committed to providing the same level of services for its business community and its residential community.

Honorable Mayor and Members of the
Board of Aldermen
City of Des Peres, Missouri

Major Initiatives

The Park Department maintains approximately 80 acres of park land in four locations. The City has received the Tree City USA award for the past fifteen consecutive years, and in 1997, the Governor of Missouri presented the Missouri Treescape Award to the City.

The City continues to explore the possibilities of a new recreation center. During 1996, the City began gathering information relating to the construction of a recreation center. The City conducted a survey of the residents to gauge the interest of the community. The community's response was very favorable. Following the survey, the City retained the services of Booker and Associates to conduct a Feasibility Study. During 1997 the City met with several property owners to discuss acquiring land for the construction of the proposed new facility. There are only a few sites located within the City limits that met the requirements of this project. At the moment the City has not been able to reach any agreements with these property owners.

The City is currently evaluating plans to construct a new Public Works facility that would house the Street Department. The facility would be constructed at the current Street department location on Des Peres Road.

In November of 1994, the residents of the City voted to approve a one-half cent capital improvements sales tax effective April 1, 1995. The proceeds of the sales tax are being used to retire existing debt on the Public Safety building, road and bridge improvements, sidewalk improvements, improvements to facilities, park improvements, and capital equipment replacement.

The Mayor and the Board of Aldermen eliminated all real estate assessments by the City of Des Peres during 1995. The elimination of the real estate tax provided the residents and businesses of the City of Des Peres a savings of approximately \$335,000 annually.

During 1995, the City applied for and received a federal grant for community-oriented policing. The City is in the third year of this grant. Under this grant, the City has hired one additional Public Safety officer. This new officer works closely with citizens, homeowners, and business owners. Attention is focused on crime prevention and community involvement. The officer assists in establishing neighborhood watch programs, conducts security inspections for homes and businesses, and improves community relations. The Public Safety Department currently has plans involving the establishment of a police substation at West County Center upon completion of the redevelopment.

Honorable Mayor and Members of the
Board of Aldermen
City of Des Peres, Missouri

In January 1995, the City created a Tax Increment Financing District for the express purpose of exploring the redevelopment of West County Center. In 1996, the Tax Increment Financing Committee approved a plan to provide the owners of the Mall financial assistance. The City believes that the Center, as it exists today, is operating at maximum market capacity. The City recognizes that new and remodeled shopping centers pose a real threat of decreasing West County Center's current market share. The Tax Increment Financing initiative has been created to encourage the redevelopment of the shopping center, thereby protecting the market share of the shopping center well into the twenty-first century.

FINANCIAL INFORMATION

The City maintains its general accounting records on a modified accrual basis for all fund types and account groups.

Under the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when the related fund liability has been incurred. "Available" means collected within the current period or soon enough thereafter to be used to pay liabilities for the current period. Municipal taxes, interest income, intergovernmental revenue, and franchise fees are susceptible to accrual under the modified accrual basis of accounting. Licenses, permits, fines, and fees are not susceptible to accrual and are recognized as revenues when received. The City does not currently levy any property tax.

The City Administrator and department directors are 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 is 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 the cost of a control should not exceed the benefits likely to be derived and the valuation of the costs and benefits requires estimates and judgments by management.

Budgetary Controls

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Aldermen of the City of Des Peres, Missouri.

Missouri state law and City ordinances require that an annual budget be prepared by the City Administrator. All increases in overall budgeted expenditures must be approved by the Board of Aldermen, and this Board exercises control over budgeted expenditures throughout the fiscal year.

Honorable Mayor and Members of the
Board of Aldermen
City of Des Peres, Missouri

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

The Reporting Entity and Its Services

This report includes all of the funds, account groups, boards, and commissions that are controlled by or are dependent on the executive or legislative branches of the City, as more fully described in Note 1 to the financial statements.

The City provides a full range of municipal services. This includes public safety (police, fire, and emergency medical services), sanitation, streets, planning and zoning, parks and recreation, and general administrative services.

General Governmental Functions

Revenues for the general fund for fiscal year ending December 31, 1997 totaled \$5,135,516. This represents an increase of 3.27% over the prior year. The following schedule represents a summary all General Fund revenues for 1996 and 1997.

Honorable Mayor and Members of the
Board of Aldermen
City of Des Peres, Missouri

Revenue Source	For the Year Ended December 31,		1997 Percent Of Total	Increase (Decrease) Over 1996	Percent Increase (Decrease)
	1996	1997			
Taxes					
Sales Tax	\$ 2,793,271	\$ 2,848,908	55.47%	\$ 55,637	1.99%
Property Tax	0	0	0.00	0	
Public Utility Tax	3,118	0	0.00	(3,118)	-100.0
Interest & Penalties	0	0	0.00	0	
Intangible	0	0	0.00	0	
	<u>2,796,389</u>	<u>2,848,908</u>	<u>55.47</u>	<u>52,519</u>	<u>1.88</u>
Intergovernmental					
Motor Vehicle License	38,386	38,807	0.76	421	1.10
Motor Vehicle Sales	49,469	53,437	1.04	3,968	8.02
Gasoline Tax	219,801	233,592	4.55	13,791	6.27
County Road & Bridge	199,257	207,779	4.05	8,522	4.28
County Cigarette	39,281	37,826	0.74	(1,455)	-3.70
	<u>546,194</u>	<u>571,441</u>	<u>11.13</u>	<u>25,247</u>	<u>4.62</u>
Licenses					
Merchant & Vending	468,945	471,565	9.18	2,620	0.56
Liquor	10,102	11,007	0.21	905	8.96
	<u>479,047</u>	<u>482,572</u>	<u>9.40</u>	<u>3,525</u>	<u>0.74</u>
Fees & Permits					
Bldg., Occup. & Sign	17,325	45,380	0.88	28,055	161.93
Zoning & Public Impr.	14,706	21,340	0.42	6,634	45.11
Board of Adjustment	1,250	2,520	0.05	1,270	101.60
Recreational Fees	103,655	126,430	2.46	22,775	21.97
	<u>136,936</u>	<u>195,670</u>	<u>3.81</u>	<u>58,734</u>	<u>42.89</u>
Utility Gross Receipts Tax	622,881	607,583	11.83	(15,298)	-2.46
Interest	78,628	99,717	1.94	21,089	26.82
Court	152,347	162,072	3.16	9,725	6.38
Rent	1,200	3,146	0.06	1,946	162.17
Accident Reports	2,552	0	0.00	(2,552)	
Contracts	81,750	88,000	1.71	6,250	7.65
Other	74,967	76,407	1.49	1,440	1.92
	<u>312,816</u>	<u>329,625</u>	<u>6.42</u>	<u>16,809</u>	<u>5.37</u>
	<u>\$ 4,972,891</u>	<u>\$ 5,135,516</u>	<u>100.00%</u>	<u>\$ 162,625</u>	<u>3.27%</u>

Honorable Mayor and Members of the
Board of Aldermen
City of Des Peres, Missouri

Sales Taxes - The City of Des Peres, Missouri, has two General Fund operating sales tax levies, the one percent (1%) and the quarter percent (.25%). These two sales tax levies accounted for 55.47% of the General Fund revenue in 1997. In 1993, legislation was enacted to require sales tax revenue sharing among cities located in St. Louis County. 1996 is the final year of a three-year phase in process. In 1996, the City shared 21.6% of the sales tax revenue with other municipalities.

Property Taxes - Prior to 1995, the City of Des Peres had a \$0.21 per hundred assessed value property tax levy for the General Fund and \$0.03 per hundred assessed value levy for the Debt Service Fund. In 1995, the Board of Aldermen reduced both levies to zero, saving the citizens of Des Peres, Missouri, a total of approximately \$335,000 annually.

Intergovernmental- Intergovernmental revenues are taxes levied by the State of Missouri and St. Louis County. These taxes are redistributed to the City of Des Peres for general operating purposes. As a whole, the intergovernmental revenues represent 11.13% of the annual general fund revenues.

Licenses - Ordinances of the City of Des Peres, Missouri, require that all persons doing business within the City limits apply for and obtain an annual business license. In 1997, these fees represented 9.40% of the annual General Fund revenues.

Interest Income - In 1997, interest income increased by 26.82%. Throughout the year, the City activity invested in governmental backed securities resulting in this significant increase. The City has a written investment policy governing investment activities.

Fees and Permits - Fee and permit revenues represent 3.81% of the General Fund revenue. All revenues represent a fee for services rendered.

Utility Gross Receipt Taxes - During 1997, Utility Gross Receipt Tax revenues amounted to 11.83% of the total revenue. The City of Des Peres, Missouri, requires the providers of water, electric, gas, and telephone services to apply for and obtain a license for the privilege of doing business. These fees represent payments made to the City of Des Peres for the privilege of access to City rights-of-way. The Missouri revised statutes provides that public property can not be used for profit capacity without payment for such privilege. The telephone company pays 5%, electric company 3.61%, gas company 4.0%, and the water company 5.0%.

Honorable Mayor and Members of the
Board of Aldermen
City of Des Peres, Missouri

General fund expenditures for 1997 totaled \$4,751,475. The Department of Public Safety is the largest department, representing 55.25% of total expenditures. This department provides the City of Des Peres, Missouri, with police, fire, and emergency medical services. During 1997 two major changes occurred relating to the expenditures in the General Fund. The City adopted a policy that separated all costs associated with employee benefits by department. This provides a more accurate view of the true expenditures associated with any given department. Secondly, the City decided to separate the Street Department from the Public Works Department. The Street Department is responsible for maintenance of all roadways owned by the City, the Street Department expenditures totaled 9.34% of the total General Fund expenditures. The Department of Public Works provides all planning and zoning services. This department represents 5.49% of all expenditures.

	For the Year Ended December 31,		1997 Percent Of Total	Increase (Decrease) Over 1996	Percent Increase (Decrease)
	1996	1997			
Boards & Commissions	\$ 81,244	\$ 75,135	1.58 %	\$ (6,109)	-7.52%
Administration	125,737	148,944	3.13	23,207	18.46
Law	121,688	140,421	2.96	18,733	15.39
Finance	154,582	156,127	3.29	1,545	1.00
Municipal Buildings	137,668	126,573	2.66	(11,095)	-8.06
Insurance & Pension	661,295	-	0.00	(661,295)	-100.00
Public Safety	1,954,309	2,625,380	55.25	671,071	34.34
Public Works	555,889	260,713	5.49	(295,176)	-53.10
Streets	-	443,695	9.34	443,695	-
Health	312,361	286,993	6.04	(25,368)	-8.12
Recreation	172,110	206,228	4.34	34,118	19.82
Park Maintenance	233,025	281,266	5.92	48,241	20.70
	<u>\$ 4,509,908</u>	<u>\$ 4,751,475</u>	<u>100.00%</u>	<u>\$ 241,567</u>	<u>5.36%</u>

General Fund Balances

The operating surplus for the fiscal year was \$384,041 and there were no operating transfers from the General Fund. The fund balance of the General Fund increased by \$384,041 to \$1,932,472 during fiscal year 1997.

Capital Improvements Fund

This fund is used to account for all proceeds from the Capital Improvement sales tax levy of one-half of one percent (.5%) and all related capital equipment acquisitions and capital improvements projects.

Honorable Mayor and Members of the
Board of Aldermen
City of Des Peres, Missouri

Debt Administration

The ratio of net bonded debt to assessed valuation of taxable real property and the amount of net bonded debt per capita are useful indicators of the City's debt position. This information for the City at the end of 1997 was as follows:

	Amount	Ratio Of Debt To Assessed Value	Debt Per Capita
Net Bonded Debt	\$ 1,359,945	.84%	\$ 158

The debt service fund is used to account for all expenditures relating to the debt service of the outstanding general obligation bonds. The revenue in this fund is transferred from the Capital Improvements fund. Prior to 1994, the revenue was derived from the property owners in the City of Des Peres through property taxes.

Fiduciary Operations

Trust and agency funds are used to account for assets held by the City of Des Peres in a trustee capacity for the benefit of individuals and/or organizations. During 1997, the City was acting in a trustee capacity for past and current employees. All assets of the City's sponsored defined benefit retirement plan, as well as two Section 457 deferred compensation plans are accounted for in the Trust and Agency Fund.

General Fixed Assets

The general fixed assets of the City are those fixed assets used in the performance of general governmental functions. Depreciation of general fixed assets is not recognized in the City's accounting system.

Risk Management

The City is a member of two self-insured pools comprised of twenty-one municipalities in St. Louis County. These pools cover workers' compensation (St. Louis Area Insurance Trust - SLAIT), general liability, police liability, and auto liability (Property and Casualty Trust - PACT). The pools have contracted with the firm of Daniel and Henry Company for its administration and consulting services.

The pools reinsure certain losses with the General Reinsurance Company and the Illinois Insurance Exchange. The City is a member of Missouri Consolidated Health Care Plan. MCHCP is a state-sponsored insurance pool that insures 48,878 individuals throughout the state.

The City purchases insurance coverage for the protection against loss of its building and contents as well as inland marine, business interruption insurance, and public officials liability insurance.

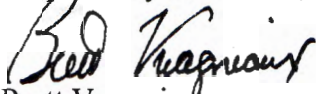
Honorable Mayor and Members of the
Board of Aldermen
City of Des Peres, Missouri

Acknowledgments

The preparation of this annual financial report could not have been accomplished without the efforts of the Director of Finance. Efforts over the past years toward upgrading the accounting and financial reporting systems of the City of Des Peres have lead substantially to an improved quality of information being reported to the Mayor, Board of Aldermen, and the citizens of the City of Des Peres.

The Staff would also like to acknowledge the auditing firm of Rubin, Brown, Gornstein and Company. Sincere gratitude is extended to the auditors for their assistance in formulating this report and for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Brett Vuagniaux
Director of Finance

CITY OF DES PERES, MISSOURI

CITY OFFICIALS

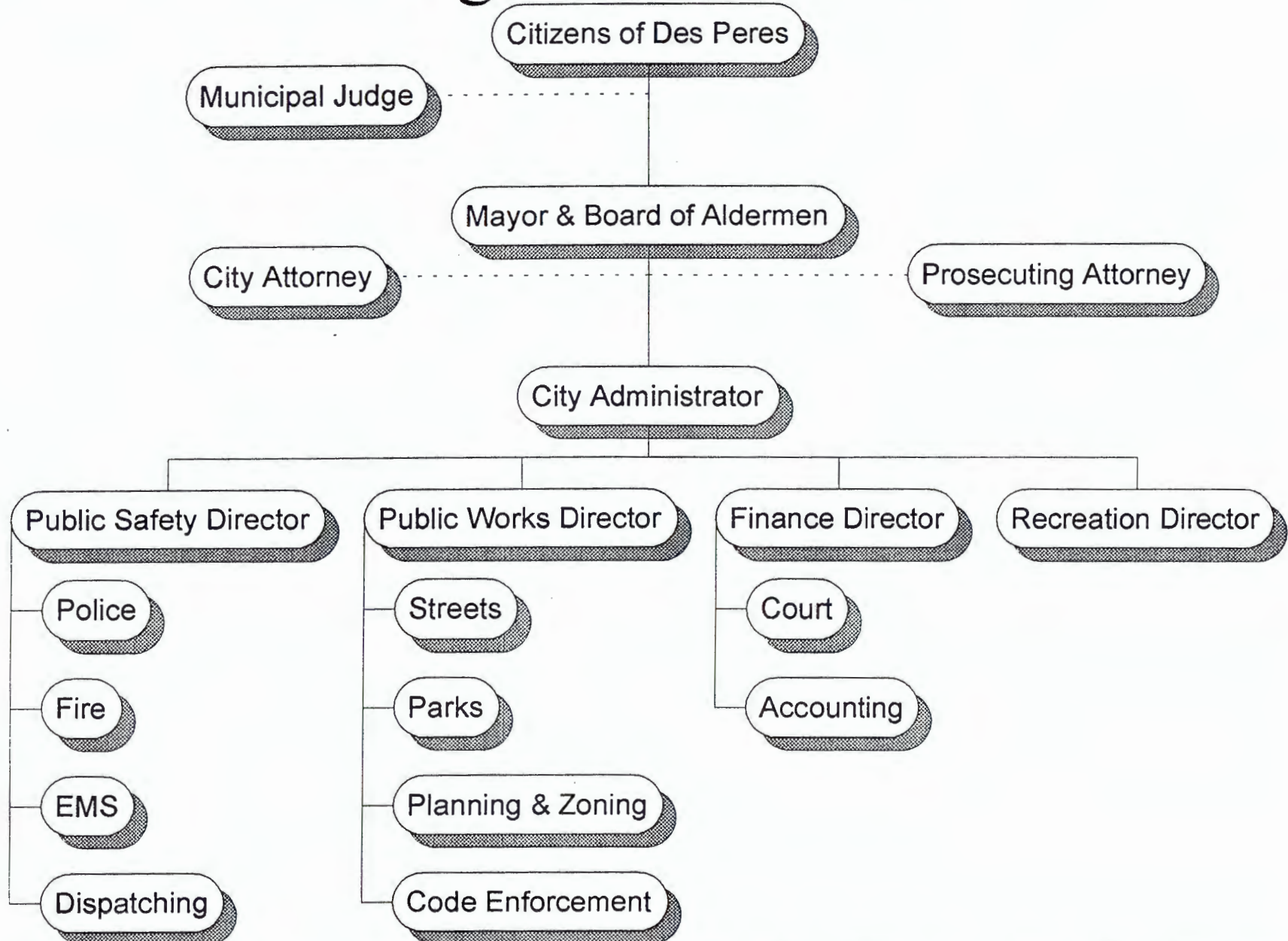
Elected Officials

Sharon Burkhardt Mayor
Kathleen Gmelich Alderman Ward I
John Parker..... Alderman Ward I
Jim Kleinschmidt Alderman Ward II
Rick Lahr Alderman Ward II
James Doerring Alderman Ward III
Shirley Sweet Alderman Ward III
Charles Billings..... Municipal Judge

Appointed Officials

Douglas Harms..... City Administrator
William Bridges Director Of Public Safety
Denis Knock..... Director Of Public Works
Brett Vuagniaux Director Of Finance

City of Des Peres Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Des Peres,
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 1996

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.



Linda M. Savitsky
President

Jeffrey L. Esser
Executive Director

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Part 2

Financial Section



Independent Auditors' Report

Honorable Mayor and
Members of the Board of Aldermen
City of Des Peres, Missouri

We have audited the accompanying general purpose financial statements of the City of Des Peres, Missouri, as of and for the year ended December 31, 1997, as listed in of the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Des Peres, Missouri, as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The City adopted the provisions of Governmental Accounting Standards Board Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 27, *Accounting for Pensions by State and Local Employers*.

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

April 15, 1998

Rubin, Brown, Gornstein & Co. LLP

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



**General Purpose
Financial Statements**

CITY OF DES PERES, MISSOURI

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 1997**

	Governmental Fund Types			Fiduciary	Account Groups		Totals	
	General	Debt Service	Capital Projects	Trust And Agency	General	General	(Memorandum Only)	
					Fixed Assets	Long-Term Debt	1997	1996
Assets And Other Debits								
Cash and short-term investments	\$ 1,841,481	\$ 67,750	\$ 1,109,356	\$ —	\$ —	\$ —	\$ 3,018,587	\$ 2,938,564
Investments	—	—	—	5,198,242	—	—	5,198,242	4,553,815
Receivables:								
Sales taxes	311,109	—	138,265	—	—	—	449,374	430,100
Intergovernmental revenue	166,817	—	—	—	—	—	166,817	149,293
Other	223,511	2,305	38,383	—	—	—	264,199	222,312
Property and equipment	—	—	—	—	8,927,495	—	8,927,495	8,445,113
Amount available in the Debt Service Fund	—	—	—	—	—	70,055	70,055	57,226
Amount to be provided for the retirement of general long-term debt	—	—	—	—	—	1,359,945	1,359,945	1,457,774
Total Assets And Other Debits	\$ 2,542,918	\$ 70,055	\$ 1,286,004	\$ 5,198,242	\$ 8,927,495	\$ 1,430,000	\$ 19,454,714	\$ 18,254,197
Liabilities, Equity And Other Credits								
Liabilities								
Accounts payable and accrued liabilities	\$ 610,446	\$ —	\$ 59,215	\$ —	\$ —	\$ —	\$ 669,661	\$ 913,646
General obligation bonds payable	—	—	—	—	—	1,430,000	1,430,000	1,515,000
Deferred compensation benefits payable	—	—	—	744,691	—	—	744,691	617,015
Total Liabilities	610,446	—	59,215	744,691	—	1,430,000	2,844,352	3,045,661
Equity And Other Credits								
Investment in general fixed assets	—	—	—	—	8,927,495	—	8,927,495	8,445,113
Fund balances:								
Reserved:								
Reserved for debt service	—	70,055	—	—	—	—	70,055	57,226
Reserved for employees retirement system	—	—	—	4,453,551	—	—	4,453,551	3,936,800
Unreserved:								
Designated for subsequent year purchases	—	—	89,814	—	—	—	89,814	32,859
Unreserved - undesignated	1,932,472	—	1,136,975	—	—	—	3,069,447	2,736,538
Total Equity And Other Credits	1,932,472	70,055	1,226,789	4,453,551	8,927,495	—	16,610,362	15,208,536
Total Liabilities, Equity And Other Credits	\$ 2,542,918	\$ 70,055	\$ 1,286,004	\$ 5,198,242	\$ 8,927,495	\$ 1,430,000	\$ 19,454,714	\$ 18,254,197

CITY OF DES PERES, MISSOURI

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES For The Year Ended December 31, 1997

	Governmental Fund Types			Totals (Memorandum Only)	
	General	Debt Service	Capital Projects	1997	1996
	Revenues				
Taxes	\$ 2,848,908	\$ 150,000	\$ 1,264,924	\$ 4,263,832	\$ 4,239,333
Intergovernmental	571,441	—	—	571,441	546,194
Licenses	482,572	—	—	482,572	479,047
Fees and permits	195,670	—	—	195,670	160,599
Utility gross receipts tax	607,583	—	—	607,583	599,218
Interest	99,717	3,895	69,628	173,240	146,545
Other	329,625	8,625	113,548	451,798	360,140
Total Revenues	5,135,516	162,520	1,448,100	6,746,136	6,531,076
Expenditures					
Current:					
General government	647,200	—	—	647,200	1,282,214
Public safety	2,625,380	—	—	2,625,380	1,954,306
Public works	260,713	—	—	260,713	186,396
Streets	443,695	—	—	443,695	369,493
Health	286,993	—	—	286,993	312,361
Parks and recreation	487,494	—	—	487,494	405,135
Total Current	4,751,475	—	—	4,751,475	4,509,905
Capital outlay	—	—	1,442,277	1,442,277	1,391,793
Debt Service:					
Principal retirement	—	85,000	—	85,000	85,000
Interest and fiscal charges	—	64,691	—	64,691	67,442
Total Expenditures	4,751,475	149,691	1,442,277	6,343,443	6,054,140
Excess Of Revenues Over Expenditures	384,041	12,829	5,823	402,693	476,936
Other Financing Sources (Uses)					
Operating transfers in	—	—	—	—	145,500
Operating transfers out	—	—	—	—	(145,500)
Total Other Financing Sources (Uses)	—	—	—	—	—
Excess Of Revenues And Other Financing Sources Over Expenditures And Other Financing Uses	384,041	12,829	5,823	402,693	476,936
Fund Balances - Beginning Of Year	1,548,431	57,226	1,220,966	2,826,623	2,349,687
Fund Balances - End Of Year	\$ 1,932,472	\$ 70,055	\$ 1,226,789	\$ 3,229,316	\$ 2,826,623

CITY OF DES PERES, MISSOURI

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES For The Year Ended December 31, 1997

	General			Debt Service			Capital Projects		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues									
Taxes	\$ 3,002,000	\$ 2,848,908	\$ (153,092)	\$ 150,000	\$ 150,000	\$ —	\$ 1,350,000	\$ 1,264,924	\$ (85,076)
Intergovernmental	548,000	571,441	23,441	—	—	—	—	—	—
Licenses	491,000	482,572	(8,428)	—	—	—	—	—	—
Fees and permits	136,000	195,670	59,670	—	—	—	—	—	—
Utility gross receipts tax	659,000	607,583	(51,417)	—	—	—	—	—	—
Interest	70,000	99,717	29,717	2,000	3,895	1,895	50,000	69,628	19,628
Other	244,000	329,625	85,625	8,625	8,625	—	44,150	113,548	69,398
Total Revenues	5,150,000	5,135,516	(14,484)	160,625	162,520	1,895	1,444,150	1,448,100	3,950
Expenditures									
Current									
General government	734,575	647,200	87,375	—	—	—	—	—	—
Public safety	2,683,658	2,625,380	58,278	—	—	—	—	—	—
Public works	252,399	260,713	(8,314)	—	—	—	—	—	—
Streets	460,527	443,695	16,832	—	—	—	—	—	—
Health	319,100	286,993	32,107	—	—	—	—	—	—
Parks and recreation	487,391	487,494	(103)	—	—	—	—	—	—
Total Current	4,937,650	4,751,475	186,175	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	1,423,420	1,442,277	(18,857)
Debt Service:									
Principal retirement	—	—	—	85,000	85,000	—	—	—	—
Interest and fiscal charges	—	—	—	65,120	64,691	429	—	—	—
Total Expenditures	4,937,650	4,751,475	186,175	150,120	149,691	429	1,423,420	1,442,277	(18,857)
Excess Of Revenues Over (Under)									
Expenditures	212,350	384,041	(171,691)	10,505	12,829	2,324	20,730	5,823	(14,907)
Fund Balances - Beginning Of Year	1,548,431	1,548,431	—	57,226	57,226	—	1,220,966	1,220,966	—
Fund Balances - End Of Year	\$ 1,760,781	\$ 1,932,472	\$ (171,691)	\$ 67,731	\$ 70,055	\$ 2,324	\$ 1,241,696	\$ 1,226,789	\$ (14,907)

CITY OF DES PERES, MISSOURI

COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS FIDUCIARY FUND TYPE- PENSION TRUST FUNDS

For The Year Ended December 31, 1997

Additions

Employer contributions	\$ 194,125
Investment Income:	
Net appreciation in fair value of investments	682,709
Interest	117,909
Total Investment Income	<u>800,618</u>
Total Additions	<u>994,743</u>

Deductions

Benefits	469,167
Administrative expense	8,825
Total Deductions	<u>477,992</u>

Net Increase 516,751

**Net Plan Assets Held in Trust for Pension Benefits,
January 1, 1997** 3,936,800

**Net Plan Assets Held in Trust for Pension Benefits,
December 31, 1997** \$ 4,453,551

CITY OF DES PERES, MISSOURI

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 1997

1. **Summary Of Significant Accounting Policies**

The City of Des Peres, Missouri (the City) was incorporated on April 12, 1934, as a City of Fourth Class. The City operates under a Mayor/Board of Aldermen/Administrator form of government and provides the following services: public safety, highways and streets, health and social services, culture-recreations, education, public improvements, planning and zoning, and general administrative services.

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

Reporting Entity

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

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

Based on the foregoing, the City's general purpose financial statements include all funds, account groups, agencies, boards, commissions, and authorities that are controlled by or dependent on the City.

Fund Accounting

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

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

The following fund types and account groups are used by the City:

Governmental Fund Types

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

General Fund - This 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.

Debt Service Fund - This fund is used to account for the accumulation of all resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund - This fund is used to account for financial resources to be used for all major capital projects and improvements, including special assessments.

Fiduciary Fund Types

Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. For the City, these include the pension trust and agency funds. The pension trust fund is accounted for, and its results of operations are reported similar to, proprietary fund types, where the measurement focus is upon the determination of net income. Agency funds are custodial in nature and do not involve the measurement of the results of operations.

Pension Trust Fund - This fund is used to account for assets related to the pension plan covering City employees.

Deferred Compensation Agency Fund - This fund is used to account for assets related to the deferred compensation plan offered to City employees.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

Account Groups

Account groups are used to establish accounting control and accountability for the City's general fixed assets and general long-term obligations. The City uses the following account groups:

General Fixed Assets Account Group - This is a self-balancing account group established to account for the general fixed assets of the City.

General Long-Term Debt Account Group - This is a self-balancing account group established to account for all unmatured long-term indebtedness of the City.

Basis of Accounting

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

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 is included on the balance sheet. The pension trust fund operating statement presents increases and decreases in net total assets.

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

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

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

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

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

Under the accrual basis of accounting used by the pension trust fund, revenues are recognized when earned and expenses are recognized when incurred.

Accounting Reclassifications

Certain 1996 amounts have been reclassified where appropriate to conform with the budgetary financial statement presentation used in 1997.

Cash And Investments

Cash and short-term investments include amounts in demand deposits as well as investments that mature within six months of the date acquired by the City.

Investments are stated at cost or amortized cost, except for investments in the Pension Trust Fund and Deferred Compensation Agency Fund which are reported at fair value and market value, respectively.

General Fixed Assets

General fixed assets are accounted for as expenditures at the time of purchase. Such assets are capitalized at cost in the general fixed assets account group except for certain improvements such as streets, sidewalks, and drainage systems which are not capitalized, as these assets are immovable and of value only to the City. The cost of fixed assets is removed from the accounts when the related assets are disposed. No depreciation has been provided on assets which are recorded in the general fixed assets account group.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements *(Continued)*

Budgetary Data And Budgetary Process

The City uses the following procedures in establishing the budgetary data for the governmental fund types reflected in the financial statements:

1. Prior to November 1, the City Administrator submits to the Audit and Finance Committee a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means of financing them. The City prepares its budget on a modified accrual basis of accounting.
2. Following review by the Audit and Finance Committee, the proposed budget is presented to the Board of Aldermen, and public hearings are held on the budget in late November and early December.
3. Prior to January 1, the budget is legally enacted by passage of salary ordinances and an adopting resolution.
4. Transfers of budgeted amounts between departments within the same fund are made by the City Administrator and approved by the Board of Aldermen.
5. Amendments to the budget for changes of expenditures by object class are approved periodically throughout the year by the Board of Aldermen. During this fiscal period, there were transfers from one department to another. Although not required by City Ordinance, City policy dictates that department appropriations may not be exceeded without supplemental appropriation or transfer. At the end of the fiscal year, all unexpended appropriated balances lapsed.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

Compensated Absences

Under terms of the City's personnel policy, employees are granted vacations based on length of service. Vacations accrue on January 1 of each year. Upon termination, the employee is paid for unused vacation. Since vacation accrued at year-end is expected to be used by the employee during the following fiscal year, the accrual is reported within the governmental fund type to be payable out of expendable financial resources. Sick leave is accumulated based upon length of service and is available only to provide compensation during periods of illness. No portion of sick leave is payable to the employee upon termination. Beginning in 1996, accrued vacation can be converted to sick leave or sold back to the City at the employee's election. This conversion cannot reduce an employee's vacation accrual below two weeks.

Interfund Transactions

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as operating transfers. Such transfers are reported as other financing sources (uses) in the Governmental Fund Types.

Intergovernmental Revenues

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

Total (Memorandum Only)

Total columns on the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles; nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (Continued)

2. Cash And Investments

Cash and investments consist of the following:

Petty cash	\$ 1,000
Cash in bank	1,013,694
Total cash	<u>1,014,694</u>
U.S. Government securities	2,003,893
Pension plan investments	4,453,551
Deferred compensation plan investments	<u>744,691</u>
 Total Cash And Investments	 <u><u>\$ 8,216,829</u></u>

State statutes authorize Missouri local governments to invest in obligations of the U.S. Treasury and U.S. Government agencies. For other deposits or investments, collateral is required to be pledged by the custodian bank in an amount sufficient to cover the amounts on deposit. The collateral is required to be held by the City Treasurer or by the trust department of a financial institution other than the pledging bank.

Deposits - At year end, the carrying amounts of the City's deposits were \$1,013,694 and the bank balances were \$1,116,715. Such bank balances were covered by Federal depository insurance and collateral held by the City's agent in the name of the financial institution as pledged to the City.

Investments - The City's investments are categorized as either (1) insured or registered with securities held by the City or its agent in the City's name, (2) uninsured and unregistered, with securities held by a counterparty's trust department or agent in the City's name or (3) uninsured and unregistered with securities held by a counterparty or by its trust department or agent but not in the City's name.

	Categories			Carrying Value	Market Value
	1	2	3		
U.S. Government obligations	\$ —	\$ 2,003,893	\$ —	\$ 2,003,893	\$ 2,003,893
Investment in pension plan pooled investments				4,453,551	4,453,551
Investment in deferred compensation plan pooled assets				744,691	744,691
	<u>\$ —</u>	<u>\$ 2,003,893</u>	<u>\$ —</u>	<u>\$ 7,202,135</u>	<u>\$ 7,202,135</u>

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Pension Trust Fund and Deferred Compensation Agency Fund investments are held under contractual agreements with investment managers. Pension Trust Fund assets consist of a Group Annuity Contract with Principal Mutual Life Insurance Company while Deferred Compensation Agency Fund assets consist of the Aetna Life and Casualty Investment Pool and the ICMA Retirement Corporation Investment Pool.

3. General Fixed Assets

The following represents a summary of changes in the general fixed assets account group for the year ended December 31, 1997:

	Balance - January 1, 1997	Additions	Retirements	Balance - December 31, 1997
Land, land improvements and buildings	\$ 6,329,661	\$ 288,694	\$ —	\$ 6,618,355
Automotive equipment	981,420	96,286	50,719	1,026,987
Furniture, fixtures and equipment	1,134,032	169,939	21,818	1,282,153
	<u>\$ 8,445,113</u>	<u>\$ 554,919</u>	<u>\$ 72,537</u>	<u>\$ 8,927,495</u>

4. General Long-Term Debt

The City's long-term debt transactions for the year ended December 31, 1997 consist solely of activity of General Obligation Refunding Bonds, Series 1993, dated October 27, 1993, 2.5% - 4.9%, interest payable February 1 and August 1, principal payable February 1. The following is a summary at December 31, 1997:

	<u>General Obligation Bonds Payable</u>
Balance - January 1, 1997	\$ 1,515,000
Reductions	85,000
	<u>\$ 1,430,000</u>

The general obligation bond is recorded in the general long-term debt account group and is serviced through the debt service fund. These bonds are supported by a pledge of the City's full faith and credit. Capital projects fund tax revenues are appropriated each year to meet current year principal and interest requirements.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Principal Requirements To Maturity

Year Ending December 31,	General Obligation Bonds		
	Principal	Interest	Total
1998	\$ 95,000	\$ 61,255	\$ 156,255
1999	95,000	57,835	152,835
2000	100,000	54,153	154,153
2001	105,000	50,128	155,128
2002	105,000	45,875	150,875
2003 and Thereafter	930,000	168,006	1,098,006
	<u>\$ 1,430,000</u>	<u>\$ 437,252</u>	<u>\$ 1,867,252</u>

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

	City Purposes Basic Limit	Streets And Sewers Additional Limit
Assessed Valuation - January 1, 1997	\$ 200,976,117	\$ 200,976,117
Debt Limit - 10% of assessed valuation	20,097,611	20,097,611
Total Bonded Debt applicable to debt limit	1,430,000	—
Legal Debt Margin	<u>\$ 18,667,611</u>	<u>\$ 20,097,611</u>

Advance Refunding

During 1993, the City issued \$1,775,000 in General Obligation Refunding Bonds with an average interest rate of 3.7% to advance refund \$1,885,000 of outstanding 1989B Series bonds with an average interest rate of 6.5%.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (Continued)

The net proceeds of \$1,732,697 and an additional \$374,785 in City sinking fund monies were used to purchase U.S. Government securities. Those securities were deposited with an escrow agent to provide for all future debt service payments on the 1989B Series Bonds. As a result, the 1989B Series Bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group as the City has legally satisfied its obligation through the refunding transaction. At December 31, 1997, such refunded bonds totalled \$1,595,000.

5. Pension Plan

Description Of Plan

The City has a single-employer defined benefit pension plan controlled by the provisions of the Ordinance adopted pursuant to Missouri State statute. The plan is governed by the City of Des Peres which is responsible for the management of plan assets. The City has delegated the authority to manage plan assets to The Principal Mutual Life Insurance Company. The Plan provides for retirement benefits, early and deferred retirement termination, and death benefits to members and beneficiaries.

Employees become eligible to participate in the plan after completion of one year eligibility service. Nonuniformed and uniformed employees attaining the latter of age 60 and age 55, respectively, are entitled to annual benefits equal to 1.5% of the employee's final average compensation times their years of service. All benefits vest after five years of credited service. The Plan permits early retirement at the completion of ten years of credited service and attainment of age 55 for nonuniformed employees and age 50 for uniformed employees.

The payroll for the plan for the year ended June 30, 1997 was \$1,932,239. The City's total payroll was \$2,796,832 for the same period.

As of June 30, 1997 (the end of the most recent plan year), the pension plan's membership consisted of:

Active employees	58
Retirees and beneficiaries currently receiving benefits	5
Terminated employees entitled to benefits but not yet receiving them	15
	<hr/>
	78
	<hr/> <hr/>

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

Summary of Significant Accounting Policies

Basis of Accounting — The Plan's policy is to prepare its financial statements on the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

Valuation of Investments — The Pension Plan's unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to pay benefits or administrative expenses.

The Pension Plan's unallocated separate accounts are valued at market value.

Significant Investments — At December 31, 1997, the following are investments (other than U.S. Government and U.S. Government guaranteed obligations), in any one organization, that represent five percent or more of net assets available for benefits.

The Principal Financial Group

\$ 4,453,551

Funding Policies

The Plan's funding policy provides for actuarially determined annual required contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the entry age actuarial method. The actuarial accrual liability is amortized over an initial 30-year period. The pension plan is entirely funded by the City. No employee contributions are required.

Contributions for the Plan year ended June 30, 1997 were \$130,878 for normal cost (68% of annual covered payroll) and \$63,247 amortization of the unfunded actuarial accrual liability (3.3% of annual covered payroll).

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Three-Year Trend Information

Year Ended	Annual Pension Cost (APC)	Percentage Of APC Contributed	Net Pension Obligation
1995	\$ 213,234	100	\$ —
1996	209,272	100	—
1997	194,125	100	—

**Required Supplementary Information
Schedule Of Funding Progress**

Progress Historical trend information about the Plan is presented herewith as required supplementary information. It is intended to help users assess the Plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The historical information required to be disclosed is as follows:

Actuarial Valuation Date	(1) Actuarial Value Of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) UAAL As A % of Payroll [(2) - (1)] / (5)
1992	\$ 2,357,097	\$ 2,652,813	\$ 295,716	88.8%	\$ 1,734,596	17.1%
1993	2,778,893	3,448,398	669,505	80.6%	1,840,936	36.4%
1994	3,219,433	3,728,906	509,473	86.3%	1,713,752	29.7%
1995	3,084,083	3,518,956	434,873	87.6%	1,688,033	25.7%
1996	3,622,543	3,845,699	223,156	94.2%	1,816,094	12.3%
1997	3,610,428	3,630,509	20,081	99.4%	1,932,239	1.0%

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the accrued liability as a factor.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements *(Continued)*

Analysis of the dollar amount of the actuarial value of assets, accrued liability and unfunded accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the accrued liability (column 4) provides one indication of the Plan's funding status on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

Trends in unfunded accrued liability and annual covered payroll are both affected by inflation. Expressing unfunded accrued liability as a percentage of annual covered payroll (column 6) approximately adjusts for the effects of inflation and aids analysis of the Plan's progress made in accumulating sufficient assets to pay benefits when due. Generally, where there is an unfunded accrued liability, the smaller this percentage, the stronger the Plan. However, when assets are in excess of the accrued liability, the higher the bracketed percentage, the stronger the Plan.

Schedule Of Employer Contributions

The following table provides an analysis of funding progress for the last six years:

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contribution
1992	\$ 177,884	\$ 177,884	100
1993	155,453	155,453	100
1994	237,167	237,167	100
1995	213,234	213,234	100
1996	209,282	209,282	100
1997	194,125	194,125	100

Notes To Required Supplementary Information

Actuarial Assumptions And Methods

The actuarial accrued liability was determined as part of an actuarial valuation at July 1, 1997, the most recently filed actuarial valuation report. Additional information as of the latest actuarial valuation follows:

Actuarial cost Method:	Entry age normal
Amortization Method:	Level dollar closed
Remaining Amortization Period:	10 years
Asset Valuation Method:	
Fixed Income	Contract Basis
Stock Index 500	Market Basis
Actuarial Assumptions:	
Investment Rate Of Return	8.0%
Projected Salary Increases:	5.0%

6. 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 City officials, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

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 City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

7. Insurance Pool

The City participates in two self-insurance pools, the Property and Casualty Trust of St. Louis, Inc., (PACT) and the St. Louis Area Insurance Trust (SLAIT). Membership includes other St. Louis County municipalities.

PACT provides general liability, auto liability, police professional liability and paramedics malpractice coverages for the City. Premiums are calculated on an individual city basis by reviewing exposures according to insurance industry standards established by the reinsurance carrier. The rates are adjusted for each member using a three-year analysis of claims and losses for each member. Claims are paid from a self-insured retention established by the pool with stop-loss protection provided on both an individual and aggregate basis through the purchase of reinsurance contracts.

SLAIT provides workmen's compensation coverage at levels required by state law. Each member of SLAIT is assessed an annual premium based upon rates established by the Division of Workmen's Compensation for each class of employee. Claims are paid from a self-insured retention established by the pool with stop-loss protection on both an individual claim and aggregate basis provided by a reinsurance contract.

As a member of PACT and SLAIT, the City also purchases insurance policies on a group basis but issued to each participating city for auto physical damage, property coverage and public official liability coverages. In addition, the City acquires its bonding and sales tax interruption policies through PACT and SLAIT.

Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in insurance coverage from coverage in the prior year.

8. Contingencies

Litigation

The City generally follows the practice of recording loss contingencies when the amount can be reasonably estimated and it is probable that an asset has been impaired or a liability has been incurred. Various suits and claims against the City are presently pending. It is management's opinion that any liability resulting from pending suits and claims, in excess of insurance coverage, will not have a material impact on the general purpose financial statements of the City.

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Supplementary Data

General Fund

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

CITY OF DES PERES, MISSOURI

GENERAL FUND - SCHEDULE OF REVENUES - BUDGET AND ACTUAL For The Year Ended December 31, 1997 (With Comparative Actual Amounts For The Year Ended December 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Taxes				
Sales and use	\$ 3,002,000	\$ 2,848,908	\$ (153,092)	\$ 2,793,271
Public utility	—	—	—	3,118
Total Taxes	3,002,000	2,848,908	(153,092)	2,796,389
Intergovernmental				
Motor vehicle license fees	37,000	38,807	1,807	38,386
Motor vehicle sales tax	50,000	53,437	3,437	49,469
Gasoline tax	220,000	233,592	13,592	219,801
County road and bridge tax	200,000	207,779	7,779	199,257
County cigarette tax	38,000	37,826	(174)	39,281
Intangible/financial institution tax	3,000	—	(3,000)	—
Total Intergovernmental	548,000	571,441	23,441	546,194
Licenses				
Merchants and vending	481,000	471,565	(9,435)	468,945
Liquor	10,000	11,007	1,007	10,102
Total Licenses	491,000	482,572	(8,428)	479,047
Fees And Permits				
Building, occupancy, and sign permits	22,000	45,380	23,380	17,325
Zoning and public improvements fees	12,000	21,340	9,340	14,706
Board of Adjustment fees	2,000	2,520	520	1,250
Recreational fees	100,000	126,430	26,430	103,655
Total Fees And Permits	136,000	195,670	59,670	136,936
Utility Gross Receipts Tax	659,000	607,583	(51,417)	622,881
Interest Income	70,000	99,717	29,717	78,628
Other				
Court fines	150,000	162,072	12,072	152,347
Rent	—	3,146	3,146	1,200
Public safety accident reports	—	—	—	2,552
Contracts and grants	88,000	88,000	—	81,750
Other	6,000	76,407	70,407	74,967
Total Other	244,000	329,625	85,625	312,816
Total Revenues	\$ 5,150,000	\$ 5,135,516	\$ (14,484)	\$ 4,972,891

CITY OF DES PERES, MISSOURI

GENERAL FUND - SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For The Year Ended December 31, 1997

(With Comparative Actual Amounts For The Year Ended December 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
General Government				
Boards And Commissions				
Personal services	\$ 24,545	\$ 22,499	\$ 2,046	\$ 26,052
Materials and supplies	—	356	(356)	7,869
Contractual services	64,600	52,280	12,320	47,323
Total Boards And Commissions	89,145	75,135	14,010	81,244
Administration				
Personal services	137,903	141,213	(3,310)	118,355
Materials and supplies	600	439	161	518
Contractual services	7,550	7,292	258	6,864
Total Administration	146,053	148,944	(2,891)	125,737
Law				
Personal services	55,252	58,917	(3,665)	60,180
Contractual services	88,800	81,504	7,296	61,508
Total Law	144,052	140,421	3,631	121,688
Finance				
Personal services	99,820	95,076	4,744	76,865
Materials and supplies	7,500	7,245	255	9,770
Contractual services	70,275	53,806	16,469	67,947
Total Finance	177,595	156,127	21,468	154,582
Municipal Buildings				
Materials and supplies	6,200	6,089	111	5,464
Contractual services	171,530	120,484	51,046	132,204
Total Municipal Buildings	177,730	126,573	51,157	137,668
Insurance And Pension				
Insurance	—	—	—	441,185
Pension	—	—	—	219,418
Pension payroll taxes	—	—	—	692
Total Insurance And Pension	—	—	—	661,295
Total General Government	\$ 734,575	\$ 647,200	\$ 87,375	\$ 1,282,214

(Continued)

CITY OF DES PERES, MISSOURI

GENERAL FUND - SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For The Year Ended December 31, 1997

(With Comparative Actual Amounts For The Year Ended December 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996
	Budget	Actual		Actual
Public Safety				
Personal services	\$ 2,429,503	\$ 2,337,601	\$ 91,902	\$ 1,749,977
Materials and supplies	59,540	60,601	(1,061)	54,644
Contractual services	194,615	227,178	(32,563)	148,927
Capital outlay	—	—	—	758
Total Public Safety	\$ 2,683,658	\$ 2,625,380	\$ 58,278	\$ 1,954,306
Public Works				
Personal services	\$ 247,949	\$ 247,947	\$ 2	\$ 180,755
Materials and supplies	2,100	3,508	(1,408)	960
Contractual services	2,350	9,258	(6,908)	4,681
Total Public Works	\$ 252,399	\$ 260,713	\$ (8,314)	\$ 186,396
Streets				
Personal services	\$ 312,737	\$ 302,965	\$ 9,772	\$ 237,512
Materials and supplies	87,500	85,349	2,151	89,900
Contractual services	60,290	55,381	4,909	42,081
Total Streets	\$ 460,527	\$ 443,695	\$ 16,832	\$ 369,493
Health				
Materials and supplies	\$ —	\$ 959	\$ (959)	\$ 195
Contractual services	319,100	286,034	33,066	312,166
Total Health	\$ 319,100	\$ 286,993	\$ 32,107	\$ 312,361
Parks And Recreation				
Recreation				
Personal services	\$ 135,652	\$ 130,528	\$ 5,124	\$ 109,263
Materials and supplies	11,500	10,837	663	15,730
Contractual services	63,515	64,863	(1,348)	47,117
Total Recreation	210,667	206,228	4,439	172,110
Park Maintenance				
Personal services	229,744	227,355	2,389	191,381
Materials and supplies	37,200	41,892	(4,692)	31,923
Contractual services	9,780	12,019	(2,239)	7,241
Capital outlay	—	—	—	2,480
Total Park Maintenance	276,724	281,266	(4,542)	233,025
Total Parks And Recreation	\$ 487,391	\$ 487,494	\$ (103)	\$ 405,135

Capital Projects Fund

The Capital Projects Fund is used to account for the acquisition, construction and improvement of major capital facilities.

CITY OF DES PERES, MISSOURI

**CAPITAL PROJECTS FUND - SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL**

For The Year Ended December 31, 1997

(With Comparative Actual Amounts For The Year Ended December 31, 1996)

	1997		Variance -	1996
	Budget	Actual	Favorable (Unfavorable)	Actual
Public safety	\$ 166,970	\$ 146,609	\$ 20,361	\$ 101,383
Public works	931,150	1,082,125	(150,975)	927,616
Health	34,200	31,080	3,120	—
Municipal buildings	140,000	43,895	96,105	296,494
Park maintenance	151,100	138,568	12,532	66,300
	\$ 1,423,420	\$ 1,442,277	\$ (18,857)	\$ 1,391,793

Trust And Agency Funds

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Trust Funds:

Pension Trust Fund is used to account for assets held in a trustee capacity for the City's eligible employees.

Agency Funds:

Deferred Compensation Fund is used to account for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

CITY OF DES PERES, MISSOURI

**COMBINING BALANCE SHEET
FIDUCIARY FUND TYPES
December 31, 1997**

	Pension Trust Fund	Deferred Compensation Agency Fund	Total
Assets			
Investments	\$ 4,453,551	\$ 744,691	\$ 5,198,242
Liabilities And Fund Balance			
Liabilities			
Deferred compensation benefits payable	\$ —	\$ 744,691	\$ 744,691
Fund Balance			
Reserved for employees retirement system	4,453,551	—	4,453,551
Total Liabilities And Fund Balance	\$ 4,453,551	\$ 744,691	\$ 5,198,242

CITY OF DES PERES, MISSOURI

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
DEFERRED COMPENSATION AGENCY FUND
For The Year Ended December 31, 1997**

	Balance - January 1, 1997	Additions	Deletions	Balance - December 31, 1997
Assets				
Investments	\$ 617,015	\$ 172,791	\$ 45,115	\$ 744,691
Liabilities				
Deferred compensation benefits payable	\$ 617,015	\$ 172,791	\$ 45,115	\$ 744,691

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Part 3

Statistical Section

CITY OF DES PERES, MISSOURI

Table 1

GENERAL GOVERNMENTAL EXPENDITURES BY DEPARTMENT For The Last Ten Fiscal Years

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Boards & Commissions	\$ 137,610	\$ 83,569	\$ 51,887	\$ 61,144	\$ 55,713	\$ 68,113	\$ 63,244	\$ 75,428	\$ 81,244	\$ 75,135
Administration	171,858	170,712	189,265	184,138	191,707	102,032	110,900	117,639	125,737	148,944
Law	100,413	114,763	101,947	101,572	84,617	79,070	82,306	119,447	121,688	140,421
Public Safety	1,449,105	1,506,484	1,667,835	1,624,026	1,648,189	1,729,812	1,791,035	1,890,182	1,954,306	2,625,380
Public Works	473,463	454,494	486,549	467,159	454,423	479,797	500,017	486,854	186,396	260,713
Streets	0	0	0	0	0	0	0	0	369,493	443,695
Health	329,611	344,163	391,369	327,433	315,438	359,784	340,626	333,991	312,361	286,993
Municipal Buildings	119,112	123,412	121,829	109,201	140,509	121,892	130,514	138,516	137,668	126,573
Recreation	166,623	172,592	183,237	193,177	175,905	151,946	154,890	155,254	172,110	206,228
Park Maintenance	207,953	193,616	213,220	203,327	189,259	200,614	217,357	212,131	233,025	281,266
Finance	58,545	48,541	70,749	53,805	55,417	135,425	126,403	141,378	154,582	156,127
Insurance & Pension	474,100	513,128	544,832	570,565	535,275	434,850	530,109	661,099	661,295	0
Total	\$3,688,393	\$3,725,474	\$4,022,719	\$3,895,547	\$3,846,452	\$3,863,335	\$4,047,401	\$4,331,919	\$4,509,905	\$4,751,475

- (1) Balances include primary government only.
- (2) In 1996 the Public Works department was split into two separate departments, Public Works and Streets.
- (3) In 1997 the Insurance & Pension costs were distributed to departments.

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

Table 2

GENERAL GOVERNMENTAL REVENUE BY SOURCE For The Last Ten Fiscal Years

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Taxes	\$2,492,993	\$2,801,903	\$2,646,666	\$2,489,878	\$2,544,420	\$2,655,242	\$3,121,205	\$2,984,452	\$2,796,389	\$2,848,908
Intergovernmental	363,705	532,474	396,001	411,905	436,536	463,940	488,546	526,652	546,194	571,441
Licenses	351,038	374,862	390,165	361,417	355,776	438,455	503,785	480,819	479,047	482,572
Fees & Permits	127,694	125,647	121,872	134,214	148,846	167,563	175,055	171,377	160,599	195,670
Utility Gross Receipts Tax	522,368	513,233	520,354	525,721	510,935	534,397	549,400	596,610	599,218	607,583
Interest	68,187	82,794	63,350	45,040	31,419	23,615	29,359	59,223	78,628	99,717
Miscellaneous	77,136	100,423	101,372	124,078	164,729	162,424	161,640	193,658	312,816	329,625
Total	\$4,003,121	\$4,531,336	\$4,239,780	\$4,092,253	\$4,192,661	\$4,445,636	\$5,028,990	\$5,012,791	\$4,972,891	\$5,135,516

- (1) Sales Tax Revenue sharing began in 1994. The three year phase in will be in full effect during fiscal year 1996, which is estimated to be approximately 20% .
- (2) The City eliminated all real estate tax assessments in 1995.

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

Table 3

MUNICIPAL TAX REVENUE BY SOURCE For The Last Ten Fiscal Years

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Sales Tax	\$2,227,734	\$2,541,564	\$2,372,803	\$2,219,649	\$2,236,766	\$2,362,471	\$2,837,432	\$2,984,397	\$2,793,271	\$2,848,908
Property Tax	254,231	249,714	265,936	264,973	300,726	285,294	272,570	23	0	0
Public Utility Tax	4,834	4,584	3,865	3,645	3,021	4,867	8,923	0	3,118	0
Interest & Penalties	1,298	3,169	596	810	2,285	34	1	32	0	0
Intangible	4,896	2,872	3,466	801	1,622	2,576	2,279	0	0	0
Total	\$2,492,993	\$2,801,903	\$2,646,666	\$2,489,878	\$2,544,420	\$2,655,242	\$3,121,205	\$2,984,452	\$2,796,389	\$2,848,908

- (1) Sales Tax Revenue sharing began in 1994. The three year phase in will be in full effect during fiscal year 1996, which is estimated to be approximately 20% .
- (2) The City eliminated all real estate tax assessments in 1995.

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

Table 4

INTERGOVERNMENTAL REVENUE BY SOURCE For The Last Ten Fiscal Years

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Motor Vehicle License	\$ 29,696	\$ 30,260	\$ 30,813	\$ 31,611	\$ 33,537	\$ 34,609	\$ 37,467	\$ 37,568	\$ 38,386	\$ 38,807
Motor Vehicle Sales	31,854	32,305	32,358	30,510	33,468	39,899	45,484	47,727	49,469	53,437
Gasoline Tax	126,036	131,070	129,639	128,483	151,176	163,995	189,053	199,223	219,801	233,592
County Road & Bridge	135,470	299,390	163,841	184,307	181,640	187,038	179,408	200,444	199,257	207,779
County Cigarette	40,649	39,449	39,350	36,994	36,715	38,399	37,134	41,690	39,281	37,826
Total	\$363,705	\$532,474	\$396,001	\$411,905	\$436,536	\$463,940	\$488,546	\$526,652	546,194	\$571,441

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

Table 5

LICENSE REVENUE BY SOURCE For The Last Ten Fiscal Years

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Merchant & Vending	\$ 340,378	\$ 363,762	\$ 376,510	\$ 349,997	\$ 355,061	\$ 427,318	\$ 491,282	\$ 470,112	\$ 468,945	\$ 471,565
Liquor	10,660	11,100	13,655	11,420	715	11,137	12,503	10,707	10,102	11,007
Total	\$ 351,038	\$ 374,862	\$ 390,165	\$ 361,417	\$ 355,776	\$ 438,455	\$ 503,785	\$ 480,819	\$ 479,047	\$ 482,572

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

Table 6

FEE AND PERMIT REVENUE BY SOURCE For The Last Ten Fiscal Years

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Bldg, Occup & Sign	\$ 22,723	\$ 16,186	\$ 11,236	\$ 8,650	\$ 17,625	\$ 32,998	\$ 28,117	\$ 21,917	\$ 17,325	\$ 45,380
Zoning & Public Impr.	20,839	3,458	4,052	4,427	6,504	8,177	12,760	23,399	14,706	21,340
Cable Franchise	0	17,016	18,558	19,781	21,337	22,018	20,208	22,005	23,663	0
Board of Adjustment	1,625	2,500	1,375	2,647	3,975	1,700	4,350	2,675	1,250	2,520
Recreational Fees	82,507	86,487	86,651	98,709	99,405	102,730	109,620	101,381	103,655	126,430
Total	\$127,694	\$125,647	\$121,872	\$134,214	\$148,846	\$167,623	\$175,055	\$171,377	\$160,599	\$195,670

(1) In 1997, Cable Franchise revenue was reported in Utility Gross Receipts Tax.

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

Table 7

MISCELLANEOUS REVENUE BY SOURCE For The Last Ten Fiscal Years

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Court	\$47,627	\$69,719	\$72,271	\$66,033	\$103,905	\$112,459	\$105,205	\$112,550	\$152,347	\$162,072
Rent	1,720	1,200	1,200	1,100	1,200	1,200	1,200	1,200	1,200	3,146
Accident Reports	2,720	2,697	2,410	3,147	2,595	3,298	3,382	3,283	2,552	0
Contracts	20,227	23,537	24,775	48,586	51,015	43,039	49,193	55,500	81,750	88,000
Other	4,842	3,270	716	5,212	6,014	2,428	2,660	21,124	74,967	76,407
Total	\$77,136	\$100,423	\$101,372	\$124,078	\$164,729	\$162,424	\$161,640	\$193,657	\$312,816	\$329,625

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

Table 8

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY For The Last Ten Fiscal Years

Calendar Year	Real Estate		Personal Property		Railroads & Utilities	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1988	\$ 112,216,460	\$ 513,599,982	\$ 22,952,647	\$ 69,553,476	\$ 3,237,404	\$ 9,810,315
1989	133,784,030	612,311,914	23,907,112	72,445,794	3,237,404	9,810,315
1990	135,462,147	619,992,434	24,920,348	75,516,206	3,080,378	9,334,479
1991	144,014,876	659,137,150	23,904,407	72,437,597	2,923,232	8,858,279
1992	143,519,470	656,869,742	25,218,820	76,420,667	2,928,753	8,875,009
1993	142,999,610	654,490,411	26,884,197	81,467,264	3,039,714	9,211,255
1994	139,995,720	640,742,002	27,910,972	84,578,703	3,066,408	9,292,145
1995	147,651,490	675,754,343	32,317,581	97,932,064	2,956,132	8,957,976
1996	148,214,830	679,531,497	38,658,270	117,146,272	2,877,221	8,718,852
1997	162,679,470	742,727,618	35,204,959	105,625,440	3,091,688	9,661,525

- (1) Assessments are determined by the Assessor of St. Louis County. Property is assessed as of January 1.
- (2) Assessments are based on a percentage of estimated actual values. Real property is classified as residential, agricultural, or commercial. Residential property is assessed at 19%, agricultural is assessed at 12%, and commercial is assessed at 32%. All railroad and utility property is assessed as 32%. All personal property is assessed at 33-1/3%.

Source: St. Louis County Assessor

CITY OF DES PERES, MISSOURI

Table 9

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$100 OF ASSESSED VALUE)
For The Last Ten Fiscal Years**

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Taxes levied on all property in the City Of Des Peres, Missouri:										
City of Des Peres	0.210	0.190	0.200	0.210	0.350	0.270	0.240	0.000	0.000	0.000
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
St. Louis County	0.670	0.580	0.580	0.580	0.580	0.580	0.580	0.580	0.580	0.580
Special School District	0.570	0.540	0.540	0.530	0.610	0.620	0.630	0.620	0.620	0.620
St. Louis Community College	0.195	0.190	0.190	0.190	0.220	0.220	0.240	0.240	0.240	0.240
St. Louis County Library	0.100	0.100	0.100	0.110	0.125	0.130	0.130	0.140	0.140	0.140
Metropolitan Sewer District										
Metro Sewer District:	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Metro Sewer District Extension	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Mississippi River Anti-Pollution	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020
Sugar Creek Subdistrict	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Deer Creek Subdistrict	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Meramec River Basin Subdistrict	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Metropolitan Zoological Park	0.206	0.198	0.198	0.198	0.214	0.220	0.224	0.228	0.232	0.232
Sheltered Workshop	0.035	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085
Totals	2.326	2.223	2.233	2.243	2.524	2.465	2.469	2.233	2.237	2.237
School Districts (2):										
Kirkwood	2.990	2.690	2.690	2.970	3.320	3.650	3.780	3.810	3.870	3.790
Parkway	3.120	3.080	3.120	3.130	3.090	3.530	3.430	3.440	3.730	3.640

CITY OF DES PERES, MISSOURI

Table 10

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year	Total Tax Levy	Current Tax Collections	Percentage of Current Taxes Collected	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent Taxes to Total Tax Levy
1988	235,654	223,175	94.70	235,375	99.88	279	0.12
1989	254,190	254,231	100.02	255,184	100.39	(994)	(0.39)
1990	270,924	249,714	92.17	249,714	92.17	21,210	7.83
1991	302,431	264,973	87.61	264,973	87.61	37,458	12.39
1992	502,318	490,807	97.71	490,807	97.71	11,511	2.29
1993	386,099	356,282	92.28	356,282	92.28	29,817	7.72
1994	335,990	314,182	93.51	314,182	93.51	21,808	6.49
1995	0	0		0		0	
1996	0	0		0		0	
1997	0	0		0		0	

- (1) Delinquent tax collection records are maintained the St. Louis County Assessor's Office. Beginning in 1996 the City no longer tracks this information.
- (2) The City of Des Peres eliminated property taxes in 1995.

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

Table 11

COMPUTATION OF DIRECT AND OVERLAPPING DEBT December 31, 1997

	Net General Obligation Debt	Applicable to the City of Des Peres	Amount Applicable to the City of Des Peres
City of Des Peres	\$ 1,430,000	100.00%	\$ 1,430,000
St. Louis County	160,520,000	1.12%	1,797,824
Parkway School District	62,770,000	2.00%	1,255,400
Kirkwood School District	38,440,000	16.77%	6,446,338
State of Missouri	979,370,000	0.31%	3,036,047
Total	\$ 1,242,530,000		\$ 13,965,609

(1) Only portions of the school districts are located within the City limits. The applicable amounts refer to that portion of the district that is contained within the City's boundary.

Source: The above named jurisdictions, Office of the St. Louis County Assessor.

CITY OF DES PERES, MISSOURI

Table 12

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

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1988	8,386	\$112,216,460	\$430,000	\$200,000	\$230,000	0.20%	\$ 27
1989	8,391	133,784,030	2,350,000	200,000	2,150,000	1.61%	256
1990	8,395	135,462,147	2,270,000	200,000	2,070,000	1.53%	247
1991	8,400	144,014,876	2,200,000	200,000	2,000,000	1.39%	238
1992	8,404	143,519,470	2,040,000	522,798	1,517,202	1.06%	181
1993	8,405	142,999,610	1,775,000	57,587	1,717,413	1.20%	204
1994	8,408	139,995,720	1,680,000	41,490	1,638,510	1.17%	195
1995	8,416	147,651,490	1,600,000	49,210	1,550,790	1.05%	184
1996	8,480	148,214,830	1,515,000	57,226	1,457,774	0.98%	172
1997	8,591	162,679,470	1,430,000	70,055	1,359,945	0.84%	158

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

CITY OF DES PERES, MISSOURI

Table 13

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN FISCAL YEARS

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio Of Debt Service to General Governmental Expenditures
1988	\$ 75,000	\$ 23,556	\$ 98,556	\$3,688,393	2.67%
1989	580,000	42,990	622,990	3,725,474	16.72%
1990	80,000	118,091	198,091	4,022,719	4.92%
1991	85,000	142,756	227,756	3,895,547	5.85%
1992	145,000	139,015	284,015	3,846,452	7.38%
1993	155,000	129,233	284,233	3,863,335	7.36%
1994	95,000	55,040	150,040	4,047,401	3.71%
1995	80,000	68,897	148,897	4,331,919	3.44%
1996	85,000	67,442	152,442	4,509,905	3.38%
1997	85,000	64,691	149,691	4,751,475	3.15%

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

Table 14

PRINCIPAL TAXPAYERS December 31, 1997

<u>Taxpayer</u>	<u>Type of Business</u>	<u>1997 Assessed Value</u>	<u>Percentage Of Total Assessed Value</u>
Edward D. Jones and Company	Investment Company	\$ 6,760,800	4.16%
Center Mark Properties	Retail Shopping	5,560,650	3.42%
TBC Realty	Health Care	4,511,130	2.77%
Equitable Life Insurance	Retail Shopping	3,668,320	2.25%
Duke Realty	Telecommunications	3,416,610	2.10%
May Department Stores	Retail Shopping	3,266,880	2.01%
Corporate Property Investors	Retail Shopping	2,884,480	1.77%
Esnosnas Partnership	Retail Shopping	2,252,950	1.38%
Wehrenberg	Theater	1,544,160	0.95%
Schnucks Markets	Retail Shopping	1,480,490	0.91%
		Total	21.72%

(1) Based on 1997 assessed valuation equal to \$162,679,470.

Source: Office of the St. Louis County Assessor.

CITY OF DES PERES, MISSOURI

Table 15

BUILDING PERMITS AND CONSTRUCTION For The Last Ten Fiscal Years

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Building Construction:											
Number of Permits	276	205	288	316	202	130	153	111	116	107	139
Value of Construction	\$ 6,980,602	\$ 7,571,298	\$ 9,564,860	\$ 4,010,371	\$ 6,097,620	\$ 2,993,855	\$ 4,947,607	\$ 7,050,925	\$ 20,418,141	\$ 2,090,435	\$ 6,381,408

Source: Department of Public Works, City of Des Peres, Missouri

CITY OF DES PERES, MISSOURI

Table 16

SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS December 31, 1997

<u>Name and Title of Official</u>	<u>Annual Salary</u>	<u>Amount Surety Bond</u>
Douglas Harms, City Administrator	\$ 77,250	\$ 250,000
William Bridges, Director of Public Safety	61,300	250,000
Denis Knock, Director of Public Works	61,300	250,000
Brett Vuagniaux, Director of Finance	45,250	250,000

CITY OF DES PERES, MISSOURI

Table 17

MISCELLANEOUS STATISTICS December 31, 1997

Date Incorporated	1934 Village 1954 Fourth Class City			
Form of Government	Mayor-Council-City Administrator			
Number of Employees				
Full Time	64			
Part-time and seasonal	12			
Area in square miles	4.24			
Miles of Sidewalks	30			
Miles of Streets	52			
Number of Streets	210			
Number of Streetlights	131			
Community Centers:				
City Hall	1			
Cremer Community Center	1			
Parks	4			
Park Acreage	72.3			
Tennis Courts	6			
Miles of Trails	2			
Public Safety Department (Police/Fire/EMS)				
Number of Stations	1			
Number of Officers	34			
Average Number of Police Calls per month	856			
Average Number of Fire Calls per month	28			
Average Number of EMS Calls per month	36			
Average number of physical arrests	42			
Economic and Demographic	<table border="0" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 10%;"></td> <td style="width: 40%; text-align: center;"><u>Des Peres</u></td> <td style="width: 40%; text-align: center;"><u>St. Louis County</u></td> </tr> </table>		<u>Des Peres</u>	<u>St. Louis County</u>
	<u>Des Peres</u>	<u>St. Louis County</u>		
Population	8,591	993,529		
Number of Households	2,740	380,110		
Median Family Income	\$ 71,686	\$ 38,127		
Per Capita Income	\$ 27,276	\$ 18,625		
Median Home Value	\$ 177,600	\$ 83,500		

CITY OF DES PERES, MISSOURI

Table 17 (Continued)

MISCELLANEOUS STATISTICS December 31, 1997

Major Employers Within the
City of Des Peres

1.	Edward D. Jones and Company	Investment Company	675
2.	Southwestern Bell Communications	Telecommunications	770
3.	Deaconess Hospital	Health Care	563
4.	Southwestern Bell Telecommunications	Telecommunications	225
5.	Famous Barr	Department Store	350
6.	J. C. Penney	Department Store	255
7.	Schnucks Market	Grocery Store	236
8.	Sam's Wholesale Club	Warehouse Store	200
9.	Wehrenberg Theaters	Entertainment	77

School Enrollment:

Fiscal Year	Total Enrollment Parkway	Total Enrollment Kirkwood
1988	23,104	5,038
1989	22,570	5,041
1990	22,279	5,187
1991	22,397	5,263
1992	22,729	5,198
1993	22,584	5,145
1994	22,606	5,202
1995	22,139	5,138
1996	21,341	5,178
1997	20,979	5,076