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City of Des Peres

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CITY OF DES PERES, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED DECEMBER 31, 2001

Report issued by the Finance Department

Andrew Reiter, CPA
Director of Finance

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Part 1

Introductory Section



June 18, 2002

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

City of Des Peres
Missouri

Ladies and Gentlemen:

We hereby transmit the comprehensive annual financial report of the City of Des Peres, Missouri (City), as of December 31, 2001, 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 2001 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.

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 Westfield Shoppingtown - West County - a regional shopping mall. On January 1, 1998, the City instituted a Tax Increment Financing District for the Westfield Shoppingtown - West County and provided \$29.8 million to assist in the redevelopment of the Center. Construction on this project commenced on January 22, 2001 when the mall was closed for demolition and redevelopment. The old 500,000 square foot retail center was demolished in early 2001 and a new 1.2 million square foot regional shopping center with five anchor stores is being constructed in its place. This redevelopment is vital to protect the retail market share for the Center. In addition to the mall, there are several local strip-shopping locations, including Schnucks Center, Des Peres Square, Colonnade Center, and Olympic Oaks Village Shopping Center.

During the fiscal year ended December 31, 2001, Des Peres experienced the economic upheaval brought about by the September 11th terrorist attack on the United States. Even though the general economic conditions were already beginning to show signs of erosion, there was a marked decrease in retail sales throughout the community. This decline was, in large part, due to the closure and redevelopment of the mall.

The City of Des Peres did begin to experience an economic rebound starting in August 2001 when the May Company opened its new flagship Famous-Barr store at the shopping center. The mall shops and the remaining anchor stores, J.C. Penney, Lord & Taylor, Galyan's and the St. Louis area's first Nordstrom store, will open September 20, 2002.

The City of Des Peres has nearly 1.5 million square feet of Class "A" commercial office space within its corporate boundaries with an additional 1,000,000 square feet immediately adjoining the Manchester Road corridor located in an unincorporated pocket of St. Louis County.

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 a strong presence in the City, including operations for Southwestern Bell Mobile Systems, now operating under the name Cingular Wireless, and Southwestern Bell Yellow Pages. In addition, Southwest Bank has maintained its corporate headquarters in the City since 2000. Charter Communications has moved its corporate headquarters to the unincorporated area along Des Peres' Manchester Road business corridor. Nearly 200,000 square feet of new commercial office space will be completed during 2002.

The City of Des Peres has experienced increases in revenues on average of 4.85% 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 construction of new subdivisions, new commercial buildings and the redevelopment of the Mall show our commitment to our community for the future financial and economic security for the City of Des Peres.

MAJOR INITIATIVES

The Park Department maintains approximately 80 acres of parkland in four locations. In addition, the city, in partnership with the Missouri Department of Conservation, has established two Urban Wildacre Parks preserving 23 acres of natural woodlands. The City has received the Tree City USA award for the past nineteen consecutive years.

The City has completed long-range planning for a Community Recreation Center and has commenced construction. Ballot propositions were presented to the voters in August 2000 for a \$15,000,000 General Obligation Bond issue to be underwritten by a new one-half cent Parks Sales Tax to construct that center. The voters overwhelmingly approved both propositions by more than 70% in the election's largest voter turnout by a city in St. Louis County. The City issued \$7,170,000 in Certificate of Participation (COPS) notes in 2002 to complete the financing of the Community Center project.

On December 12, 2000, the City purchased a 9+ acre site on the west side of Interstate 270 at the intersection of Old Des Peres Road and New Des Peres Road for the Community Center. Construction began in October of 2001 on the 74,000 square foot facility. Based on input from the community, the Community Center will include a gymnasium with an elevated 1/8-mile track that overlooks the gym and the 5,468 square foot fitness center, personal training room and cardio theater. There will be a six-lane 25-yard indoor wave/lap pool including a slide, tot pool, whirlpool spa, steam and sauna rooms and a "wet" party room for swimming parties and events. Also included in the design are meeting rooms, a babysitting room and a community classroom. The outdoor facilities include a zero-depth entry and otter slide pool for younger children, water slides, a current river and a fast-moving vortex pool for the older kids and adults.

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 \$511,000 annually.

The City renovated the Public Works garage in 2000 to increase available working space in the facility and to better blend the facility in its surroundings.

In 2001, the City continued its technology update program with hardware and infrastructure upgrades to City Hall and the Public Safety building. In addition, the City has created a Technology Task Force comprised of citizens and staff to facilitate the implementation of e-mail, internet and computer usage policies. The Technology Task Force has also created a three-year plan to ensure the continued implementation of technology issues as well as the systematic technology education for the City employees.

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 the City Administrator prepare an annual budget. The Board of Aldermen must approve all increases in overall budgeted expenditures, 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 the fiscal year ending December 31, 2001 totaled \$5,845,698. This represents a 3.79 decrease over 2000. This decrease is due to the loss of sales tax, county road and bridge taxes, and court revenues. The following schedule represents a summary all General Fund revenues for 2000 and 2001.

Revenue Source:	For The Years Ended December 31,		2001 Percent Of Total	Increase (Decrease) Over 2000	Percent Increase (Decrease)
	2000	2001			
Sales and Use Taxes	\$ 3,069,156	\$ 2,578,210	44.10%	\$ (490,946)	(16.00)%
Intergovernmental					
Motor Vehicle License	39,986	46,429	0.79%	6,443	16.11%
Motor Vehicle Sales	59,222	69,653	1.19%	10,432	17.61%
Gasoline Tax	254,068	247,115	4.23%	(6,953)	(2.74)%
County Road and Bridge	249,571	262,909	4.50%	13,338	5.34%
County Cigarette	39,181	35,388	0.61%	(3,793)	(9.68)%
	642,028	661,494	11.32%	19,466	3.03%
Licenses					
Merchant and Vending	511,750	394,246	6.74%	(117,504)	(22.96)%
Liquor	8,638	7,113	0.12%	(1,525)	(17.65)%
	520,388	401,359	6.87%	(119,029)	(22.87)%
Fees & Permits					
Bldg., Occup. and Sign	38,110	109,577	1.87%	71,467	187.53%
Zoning and Public Impr.	6,360	7,410	0.13%	1,050	16.51%
Board of Adjustment	2,200	5,350	0.09%	3,150	143.18%
Recreational Fees	106,203	128,821	2.20%	22,618	21.30%
	152,873	251,158	4.30%	98,285	64.29%
Utility Gross Receipts Tax	672,862	714,165	12.22%	41,303	6.14%
Interest	184,974	147,412	2.52%	(37,562)	(20.31)%
Court	393,250	341,554	5.84%	(51,696)	(13.15)%
Contracts and grants	34,021	10,378	0.18%	(23,643)	(69.50)%
Other	406,148	739,968	12.66%	333,820	82.19%
	833,419	1,091,900	18.68%	258,481	31.01%
	\$ 6,075,682	\$ 5,845,698	100.00%	\$ (230,002)	(3.79)%

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 44.10% of the General Fund revenue in 2001. In 1993, legislation was enacted to require sales tax revenue sharing among cities located in St. Louis County. The City continued to share its sales tax revenues with other County entities during 2001. The decline of sales tax revenue from the prior year is, substantially due to revenue loss from closure of the West County Center for redevelopment. The lost revenue was partially offset by a payment in lieu of taxes from the developer.

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 11.32% 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 2001, these fees represented 6.87% of the annual General Fund revenues.

Fees and Permits - Fees and permit revenues represent 4.3% of the General Fund revenue. All such revenues represent fees for services rendered. The increase from last year is the result of an increase in the amount of renovation work and the "tear-down-rebuild" activity during the year in several of the City's older neighborhoods. Revenue from recreation program activities grew by 21.3% as a result of interest in the Community Center project as well as a more marketing-oriented approach to programs by the Parks and Recreation Director.

Utility Gross Receipt Taxes - During 2001, Utility Gross Receipts Tax revenues amounted to 12.22% of the total revenue for the General Fund. The decline in the telephone receipts was more than made-up by increases in the electric, gas and cable franchise fees. 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 provide that public property cannot be used for profit capacity without payment for such privilege. Telephone companies pay 5%, electric company-3.61%, gas company-4%, and the water company-5%.

Interest Income - In 2001, interest income decreased by 20.31% mostly due to the decline of interest rates and the maturity of investments having the prior higher rates and coupons. The City has a written investment policy governing investment activities. Most of the City's investments are held in cash equivalent instruments (Certificates of Deposits with maturities less than one year).

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

General fund expenditures for 2001 amounted to \$6,327,313. The Department of Public Safety is the largest department, representing 55.51% of total expenditures. This department provides the City of Des Peres, Missouri, with police, fire, and emergency medical services. The Department of Public Works provides all planning and zoning services, code enforcement and all street maintenance functions. This department represents 12.7% of all expenditures. The Health Department is responsible for providing residential trash service, mosquito fogging and animal control. Weekly curbside trash pickup is provided to City residents free of charge and represents 7.74% of City general fund expenditures. A summary of general fund expenditures is provided below.

	For The Years Ended December 31,		2001 Percent Of Total	Increase (Decrease) Over 2000	Percent Increase (Decrease)
	2000	2001			
Boards and Commissions	\$ 94,392	\$ 74,737	1.18%	\$ (19,655)	(20.82)%
Administration	177,826	228,483	3.61%	50,657	28.49%
Law	131,753	146,020	2.31%	14,267	10.83%
Finance	196,377	178,661	2.83%	(17,656)	(8.99)%
Municipal Buildings	136,785	187,552	2.97%	50,767	37.11%
Public Safety	3,267,623	3,512,218	55.51%	244,595	7.49%
Public Works	299,213	288,052	4.55%	(11,161)	(3.73)%
Streets	513,141	515,854	8.15%	2,713	0.53%
Health	444,490	496,715	7.85%	52,225	11.75%
Recreation	206,917	387,466	6.12%	180,549	87.26%
Park Maintenance	345,760	311,555	4.92%	(34,205)	(9.89)%
	\$ 5,814,217	\$ 6,327,313	100.00%	\$ 513,096	8.82%

General Fund Balances

The operating deficit for the fiscal year was \$481,615 reducing the fund balance of the General Fund to \$2,609,422 during fiscal year 2001.

Capital Projects Fund

This fund is used to account for all proceeds from the Capital Improvement sales tax levy of one-half of one percent (.5%), the Parks and Recreation sales tax levy of one-half of one percent (.5%) and all related capital equipment acquisitions, capital improvements projects and the construction of the Des Peres Community Center. The fund balance of the Capital Projects Fund at the end of 2001 was \$12,246,717. This represents a fund balance of \$2,401,009 in the General Capital Improvements Fund and \$9,845,708 in the Recreation Center Fund.

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. At the end of 2001, the City's debt was as follows:

	Amount	Ratio Of Debt To Assessed Value	Debt Per Capita
Net Bonded Debt	\$ 15,922,995	6.27 %	\$1,853

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 General Capital Improvements fund. Prior to 1994, the revenue was derived from the property owners in the City of Des Peres through property taxes. Also included in the City's general long-term debt is \$24,440,000 of Tax Increment Financing Notes. The 2001 TIF Notes represent a commitment by the City to reimburse a private developer for its costs of the redevelopment of West County Center. The City expects to fund this commitment through the issuance of \$29.8 million of revenue bonds during 2002. These bonds will represent limited obligations of the City payable only to the extent of incremental tax revenues generated by the redeveloped property over a period of 23 years beginning in 1997.

Cash Management

Cash temporarily idle during the year was invested in certificates of deposit and obligations of various U.S. Government agencies with maturities ranging from 90 days to one year. The City's investment policy is to minimize credit and market risk while maintaining a competitive yield on its portfolio. All City deposits and investments are either insured by federal deposit insurance, collateralized, or held by the counterparty's trust department or agent in the City's name. Acceptable collateral are obligations of the U.S Treasury and U.S. Government agencies; the State of Missouri; and local governments in Missouri with populations greater than 400,000.

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 a multi-line, self-insured pool (St. Louis Area Insurance Trust - SLAIT), which includes 21 municipalities in St. Louis County, each municipality having professional management. The pool provides insurance coverage for workers' compensation, general liability, police liability and automobile liability. The pool also provides for group purchasing of individual policies for member cities for property coverages and public officials liability. SLAIT is governed by a 12 member Board of Trustees who have contracted with the firm of Daniel and Henry Company for its administration and consulting services. The pool retains certain levels of coverage using a self-insured retention created from member premiums and reinsures on both an individual stop loss and aggregate annual stop loss with the General Reinsurance Company. Each policy year is segregated financially and dividends are paid to the member cities as all claims for each year are closed. During 2001, the City of Des Peres received a dividend from SLAIT of \$49,277.

Acknowledgments

The preparation of this annual financial report could not have been accomplished without the efforts of professional staff of the City of Des Peres.

The Staff would also like to acknowledge the auditing firm of Rubin, Brown, Gornstein & Co. LLP. Sincere gratitude is extended to the auditors for their professionalism and assistance in formulating this report.

In addition, I would like to convey my appreciation to the Mayor and Board of Alderman for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, reading "Andrew Reiter CPA". The signature is fluid and cursive, with the letters "CPA" written in a smaller, more formal script at the end.

Andrew Reiter, CPA
Director of Finance

CITY OF DES PERES, MISSOURI

CITY OFFICIALS

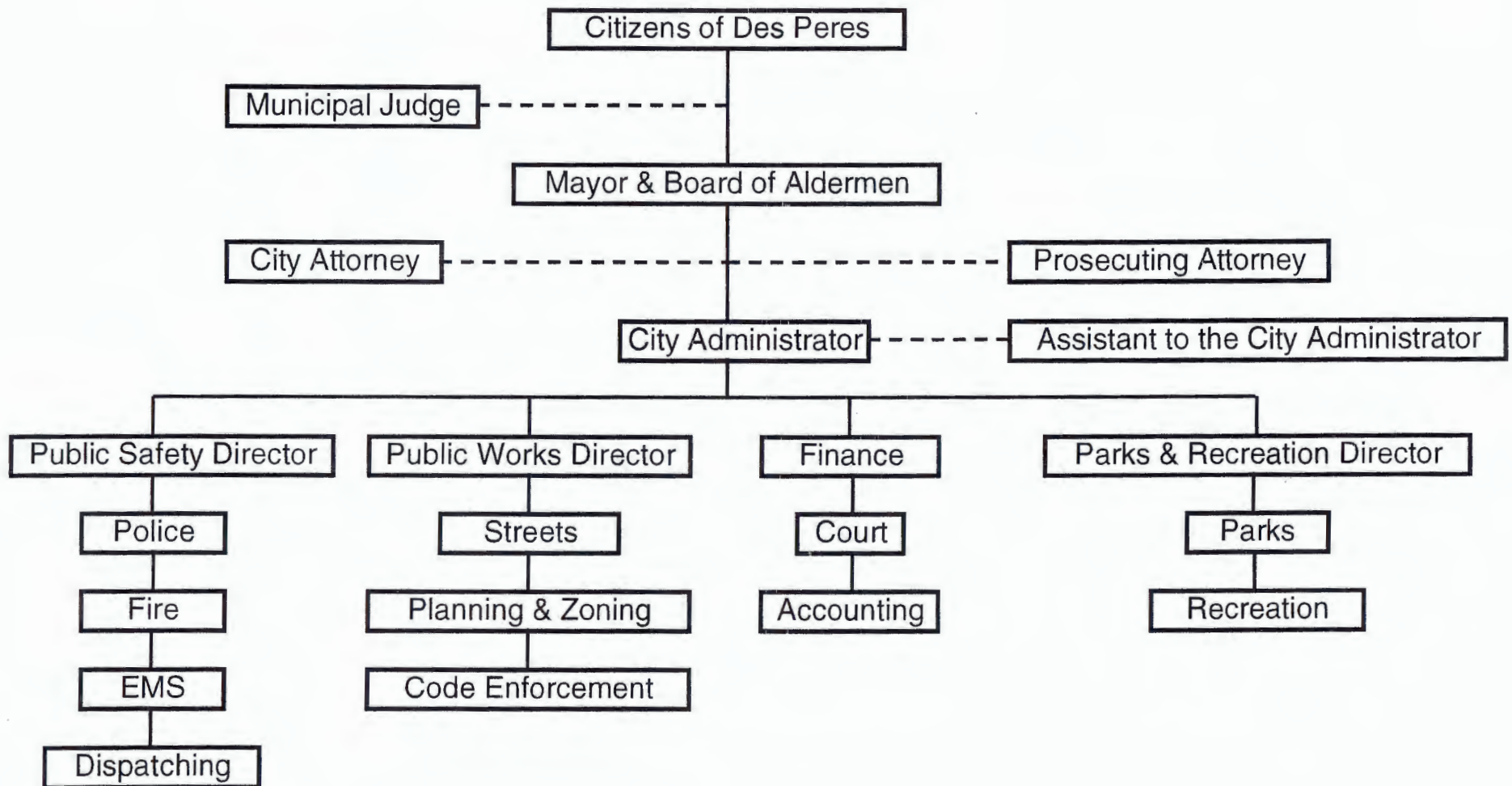
Elected Officials

Rick LahrMayor
Kathleen Gmelich..... Alderman Ward I
John Parker..... Alderman Ward I
Jim KleinschmidtAlderman Ward II
Paul Raczkiewicz Alderman Ward II
James DoeringAlderman Ward III
Paul FingerhutAlderman Ward III
Charles Billings Municipal Judge

Appointed Officials

Douglas Harms City Administrator
William Bridges Director Of Public Safety
Denis Knock, PEDirector Of Public Works
Andrew Reiter, CPA Director Of Finance
Susan Trautman, CPRP..... Director Of Parks & Recreation

City of Des Peres, Missouri 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, 2000

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.



Imelda Gruwe
President

Jeffrey L. Esser
Executive Director



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, 2001, 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the general purpose financial statements, during the year ended December 31, 2001, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*.

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.

Rubin, Brown, Gornstein & Co. LLP

April 19, 2002

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

CITY OF DES PERES, MISSOURI
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
December 31, 2001

	Governmental Fund Types				Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	General Fixed Assets	General Long-Term Debt	2001	2000
Assets And Other Debits								
Cash and cash equivalents	\$ 2,394,038	\$ 39,181	\$ 111,271	\$ 12,404,969	\$ —	\$ —	\$ 14,949,459	\$ 14,788,319
Restricted cash	132,690	—	—	—	—	—	132,690	176,022
Receivables:								
Sales tax	230,194	—	—	226,175	—	—	456,369	444,365
Intergovernmental revenue	183,858	52,722	—	—	—	—	236,580	181,918
Other	503,323	—	983	90,627	—	—	594,933	405,329
Due from other funds	59,695	—	—	—	—	—	59,695	70,159
Property and equipment	—	—	—	—	16,869,300	—	16,869,300	15,154,238
Amount available in the Debt Service Fund	—	—	—	—	—	112,005	112,005	95,323
Amount to be provided for the retirement of general long-term debt	—	—	—	—	—	40,362,995	40,362,995	16,044,677
Total Assets And Other Debits	\$ 3,503,798	\$ 91,903	\$ 112,254	\$ 12,721,771	\$ 16,869,300	\$ 40,475,000	\$ 73,774,026	\$ 47,360,350
Liabilities, Equity And Other Credits								
Liabilities								
Accounts payable and accrued liabilities	\$ 894,376	\$ —	\$ 249	\$ 475,054	\$ —	\$ —	\$ 1,369,679	\$ 585,273
Due to other funds	—	59,695	—	—	—	—	59,695	70,159
TIF notes payable	—	—	—	—	—	24,440,000	24,440,000	—
General obligation bonds payable	—	—	—	—	—	16,035,000	16,035,000	16,140,000
Total Liabilities	894,376	59,695	249	475,054	—	40,475,000	41,904,374	16,795,432
Equity And Other Credits								
Investment in general fixed assets	—	—	—	—	16,869,300	—	16,869,300	15,154,238
Fund balances:								
Reserved:								
Reserved for encumbrances	—	—	—	2,535,220	—	—	2,535,220	209,590
Reserved for debt service	—	—	112,005	—	—	—	112,005	95,323
Reserved for employees' retirement system	420,740	—	—	—	—	—	420,740	176,022
Unreserved:								
Designed for subsequent year purchases	—	—	—	755,317	—	—	755,317	249,814
Unreserved - undesignated	2,188,682	32,208	—	8,956,180	—	—	11,177,070	14,679,931
Total Equity And Other Credits	2,609,422	32,208	112,005	12,246,717	16,869,300	—	31,869,652	30,564,918
Total Liabilities, Equity And Other Credits	\$ 3,503,798	\$ 91,903	\$ 112,254	\$ 12,721,771	\$ 16,869,300	\$ 40,475,000	\$ 73,774,026	\$ 47,360,350

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, 2001

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	2001	2000
Revenues						
Taxes	\$ 2,578,210	\$ 90,118	\$ —	\$ 2,428,323	\$ 5,096,651	\$ 4,734,050
Intergovernmental	661,494	—	—	—	661,494	642,010
Licenses	401,359	—	—	—	401,359	520,388
Fees and permits	251,158	—	—	—	251,158	152,873
Utility gross receipts tax	714,165	—	—	—	714,165	672,862
Interest	147,412	—	12,483	626,649	786,544	532,862
Other	1,091,900	60,000	9,746	66,430	1,228,076	874,068
Total Revenues	5,845,698	150,118	22,229	3,121,402	9,139,447	8,129,113
Expenditures						
Current:						
General government	815,453	64,061	—	—	879,514	764,340
Public safety	3,512,218	—	—	—	3,512,218	3,267,623
Public works	288,052	52,481	—	—	340,533	419,139
Streets	515,854	—	—	—	515,854	513,141
Health	496,715	—	—	—	496,715	444,490
Parks and recreation	699,021	—	—	—	699,021	552,677
Total Current	6,327,313	116,542	—	—	6,443,855	5,961,410
Capital outlay	—	24,440,000	—	2,374,645	26,814,645	6,028,877
Debt service:						
Principal retirement	—	—	105,000	—	105,000	100,000
Interest and fiscal charges	—	—	626,275	—	626,275	54,280
Total Expenditures	6,327,313	24,556,542	731,275	2,374,645	33,989,775	12,144,567
Excess (Deficiency) Of Revenues Over Expenditures Before Other Financing Sources (Uses)	(481,615)	(24,406,424)	(709,046)	746,757	(24,850,328)	(4,015,454)
Other Financing Sources (Uses)						
Proceeds from bond and note issuance	—	24,440,000	—	—	24,440,000	14,664,503
Transfers in	—	—	725,728	—	725,728	—
Transfers out	—	—	—	(725,728)	(725,728)	—
Total Other Financing Sources (Uses)	—	24,440,000	725,728	(725,728)	24,440,000	14,664,503
Excess (Deficiency) Of Revenues Over Expenditures	(481,615)	33,576	16,682	21,029	(410,328)	10,649,049
Fund Balances (Deficit) - Beginning Of Year	3,091,037	(1,368)	95,323	12,225,688	15,410,680	4,761,631
Fund Balances - End Of Year	\$ 2,609,422	\$ 32,208	\$ 112,005	\$ 12,246,717	\$ 15,000,352	\$ 15,410,680

CITY OF DES PERES, MISSOURI

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS) ALL BUDGETED GOVERNMENTAL FUND TYPES For The Year Ended December 31, 2001

	General			Special Revenue			Debt Service			Capital Projects		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues												
Taxes	\$ 2,490,000	\$ 2,578,210	\$ 88,210	\$ 100,000	\$ 90,118	\$ (9,882)	\$ —	\$ —	\$ —	\$ 2,120,000	\$ 2,428,323	\$ 308,323
Intergovernmental	669,400	661,494	(7,906)	—	—	—	—	—	—	—	—	—
Licenses	439,800	401,359	(38,441)	—	—	—	—	—	—	—	—	—
Fees and permits	157,750	251,158	93,408	—	—	—	—	—	—	—	—	—
Utility gross receipts tax	665,500	714,165	48,665	—	—	—	—	—	—	—	—	—
Interest	100,000	147,412	47,412	—	—	—	2,000	12,483	10,483	260,000	626,649	366,649
Other	1,281,800	1,091,900	(189,900)	—	60,000	60,000	8,625	9,746	1,121	—	66,430	66,430
Total Revenues	5,804,250	5,845,698	41,448	100,000	150,118	50,118	10,625	22,229	11,604	2,380,000	3,121,402	741,402
Expenditures												
Current:												
General government	890,450	815,453	74,997	4,500	64,061	(59,561)	—	—	—	—	—	—
Public safety	3,551,020	3,512,218	38,802	—	—	—	—	—	—	—	—	—
Public works	296,175	288,052	8,123	129,000	52,481	76,519	—	—	—	—	—	—
Streets	566,010	515,854	50,156	—	—	—	—	—	—	—	—	—
Health	496,500	496,715	(215)	—	—	—	—	—	—	—	—	—
Parks and recreation	708,655	699,021	9,634	—	—	—	—	—	—	—	—	—
Total Current	6,508,810	6,327,313	181,497	133,500	116,542	16,958	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	—	—	—	3,830,350	2,374,645	1,455,705
Debt service:												
Principal retirement	—	—	—	—	—	—	100,000	105,000	(5,000)	—	—	—
Interest and fiscal charges	—	—	—	—	—	—	630,281	626,275	4,006	—	—	—
Total Expenditures	6,508,810	6,327,313	181,497	133,500	116,542	16,958	730,281	731,275	(994)	3,830,350	2,374,645	1,455,705
Excess (Deficiency) Of Revenues Over Expenditures Before Other Financing Sources (Uses)	(704,560)	(481,615)	222,945	(33,500)	33,576	67,076	(719,656)	(709,046)	10,610	(1,450,350)	746,757	2,197,107
Other Financing Sources (Uses)												
Transfers in	213,000	—	(213,000)	—	—	—	726,000	725,728	(272)	—	—	—
Transfers out	—	—	—	(50,000)	—	50,000	—	—	—	(1,016,000)	(725,728)	290,272
Total Other Financing Sources (Uses)	213,000	—	(213,000)	(50,000)	—	50,000	726,000	725,728	(272)	(1,016,000)	(725,728)	290,272
Excess (Deficiency) Of Revenues Over Expenditures	(491,560)	(481,615)	9,945	(83,500)	33,576	117,076	6,344	16,682	10,338	(2,466,350)	21,029	2,487,379
Fund Balances (Deficit) - Beginning Of Year	3,091,037	3,091,037	—	(1,368)	(1,368)	—	95,323	95,323	—	12,225,688	12,225,688	—
Fund Balances (Deficit) - End Of Year	\$ 2,599,477	\$ 2,609,422	\$ 9,945	\$ (84,868)	\$ 32,208	\$ 117,076	\$ 101,667	\$ 112,005	\$ 10,338	\$ 9,759,338	\$ 12,246,717	\$ 2,487,379

CITY OF DES PERES, MISSOURI

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

December 31, 2001

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 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 be able to impose its will on the organization or 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.

Special Revenue Fund - These funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes.

Debt Service 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.

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.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

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

Licenses, permits, fines, fees, and miscellaneous revenues (except interest on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Interest on investments is recorded as earned since it is measurable and available. Utilities franchise taxes, and sales taxes are considered "available" when in the hands of intermediary collecting governments and recognized as revenue at that time. The City does not levy a real estate or personal property tax.

Change In Accounting Principle

Effective January 1, 2001, the City adopted GASB Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions* (GASB 33). In general, GASB 33 establishes accounting and financial reporting standards for non-exchange transactions involving financial or capital resources. The implementation of GASB 33 had no material effect on the fund equity of the City.

GASB 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 transactions 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 (such as permits, court fines and forfeitures) 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 does not levy a real estate or personal property tax.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (Continued)

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 been 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.

Cash And Investments

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

Investments are stated at cost or amortized cost due to the short-term maturities of all investments.

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.

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 for all governmental fund types on a modified accrual basis of accounting except for the issuance of the TIF notes in the Special Revenue - Special Allocation Fund, which is considered unbudgeted activity. Therefore, \$24,440,000 of proceeds from the issuance of the TIF notes are not reflected as other financing sources in the budgetary basis statements nor is the related capital outlay expenditure.
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.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

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. Although not required by City Ordinance, City policy dictates that department appropriations may not be exceeded without supplemental appropriation or transfer. Expenditures may not legally exceed appropriations at the department level in the general fund or at the fund level for all other funds as they are not departmentalized. 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.

Compensated Absences

Under terms of the City's personnel policy, employees are granted vacations based on length of service. Vacations accrue monthly throughout 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. 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.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (Continued)

Totals (Memorandum Only)

Totals 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.

2. Cash And Investments

Cash and investments consist of the following:

Petty cash	\$ 1,000
Cash in bank	6,637,899
Money market mutual funds	321,920
U.S. Government obligations	8,121,330
Total Cash And Investments	<u>\$ 15,082,149</u>

State statutes authorize Missouri local governments to invest in obligations of the U.S. Treasury and U.S. Government agencies; the State of Missouri; and local governments in Missouri with populations greater than 400,000. For deposits, collateral is required to be pledged by the custodian bank in an amount sufficient to cover the amounts on deposit or by FDIC insurance.

Deposits - At year end, the carrying amounts of the City's deposits were \$6,637,889 and the bank balances were \$6,680,941 all of which were covered by federal depository insurance and collateral held by the City's agent in the City's name.

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	Fair Value
	1	2	3		
U.S. Government obligations	\$ —	\$ 8,121,330	\$ —	\$ 8,121,330	\$ 8,147,190
Money market mutual fund				321,920	321,920
				<u>\$ 8,443,250</u>	<u>\$ 8,469,110</u>

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (Continued)

3. General Fixed Assets

The following represents a summary of changes in the general fixed assets account group for the year ended December 31, 2001:

	Balance - January 1, 2001	Additions	Retirements	Balance - December 31, 2001
Land, land improvements and buildings	\$ 12,002,031	\$ 1,328,332	\$ —	\$ 13,330,363
Automotive equipment	1,241,106	119,881	—	1,360,987
Furniture, fixtures and equipment	1,911,101	335,294	(68,445)	2,177,950
	\$ 15,154,238	\$ 1,783,507	\$ (68,445)	\$ 16,869,300

4. General Long-Term Debt

The City's long-term debt transactions for the year ended December 31, 2001 consist of activity of General Obligation Bonds and of Tax Increment Financing Notes as follows:

	Balance January 1, 2001	Additions	Reductions	Balance December 31, 2001
General Obligation Bonds:				
1993 General Obligation Refunding Bonds, interest rate ranges from 4% to 4.9%, payable in various amounts through 2009	\$ 1,140,000	\$ —	\$ 105,000	\$ 1,035,000
2000 General Obligation Bonds, interest rate ranges from 4.35% to 5.4%, payable in various amounts through 2020	15,000,000	—	—	15,000,000
Tax Increment Financing Notes:				
2001 Tax Increment Financing Notes, average interest rate of 9%, to be refinanced by revenue bonds in 2002	—	24,440,000	—	24,440,000
Total General Long-Term Debt	\$ 16,140,000	\$ 24,440,000	\$ 105,000	\$ 40,475,000

The general obligation bonds are recorded in the general long-term debt account group and are serviced through the debt service fund. These bonds are supported by a pledge of the City's full faith and credit. 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
2002	\$ 305,000	\$ 808,563	\$ 1,113,563
2003	315,000	795,217	1,110,217
2004	320,000	781,283	1,101,283
2005	320,000	766,993	1,086,993
2006	335,000	752,104	1,087,104
Thereafter	14,440,000	6,008,792	20,448,792
	<u>\$ 16,035,000</u>	<u>\$ 9,912,952</u>	<u>\$ 25,947,952</u>

The 2001 Tax Increment Financing Notes represent a commitment by the City to reimburse a private developer for its costs related to the redevelopment of West County Center. The City expects to fund this commitment through the issuance of \$29.8 million of revenue bonds during 2002 (Note 9). These bonds will represent limited obligations of the City payable only to the extent of incremental tax revenues generated by the redeveloped property over a period of 23 years beginning in 1997.

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 - December 31, 2001	\$ 253,916,462	\$ 253,916,462
Debt Limit - 10% of assessed valuation	25,391,646	25,391,646
Total Bonded Debt applicable to debt limit	16,035,000	—
Less amount available in debt service fund	112,005	—
	<u>15,922,995</u>	
Legal Debt Margin	<u>\$ 9,468,651</u>	<u>\$ 25,391,646</u>

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

5. Pension Plans

Money Purchase Plan

In January 2000, the City enacted Ordinance No. 1989 which provided for the amendment and restatement of the City of Des Peres, Missouri Retirement Plan (former defined benefit plan) into the City of Des Peres, Missouri Money Purchase Pension Plan, a defined contribution plan, effective January 1, 2000. The City of Des Peres, Missouri Money Purchase Plan is administered by ICMA Retirement Corporation. Annuities were purchased for all retired participants to provide benefits equal to the amount received under the defined benefit plan. For active participants, initial balances were established equaling the present value of accrued benefits at December 31, 1999, excluding the value of uplift benefits, and credited to each transferred participants' account. Uplift benefits were provided to participants whose benefit at the Normal Retirement Age (as defined in the former plan) was lower than their projected benefit under the new plan. The Plan liabilities associated with the uplift benefits were transferred to the newly established City of Des Peres, Missouri Savings Plan and are subject to a separate five-year vesting period.

After the establishment of the initial balances and the transfer of assets and liabilities associated with the value of uplift benefits, all remaining assets were transferred to the general fund and will be used to satisfy employer contributions for the Plan Years ended December 31, 2001 and thereafter.

The restated money purchase plan will receive contributions from the City, in accordance with City ordinances, in an amount equal to 7% of each participating employee's base pay. Vesting of employer contributions occurs after five years of service.

The City's total contributions to the Plan, including uplift payments and matching of employee contributions, totaled \$291,101 for the year ended December 31, 2001.

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 employees, 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. The City provides a matching contribution at a rate of \$0.50 for each dollar an employee contributes to the City's Section 457 plan, with a maximum annual match of 2% of base pay. These matching contributions are part of the City of Des Peres, Missouri Savings Plan and subject to a separate five-year vesting period.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

6. Insurance Pool

The City is a member of a multi-line self-insured pool (St. Louis Area Insurance Trust – SLAIT), which includes 21 municipalities in St. Louis County each with professional management. The pool provides insurance coverage for workers' compensation, general liability, police liability and auto liability. The pool also provides for group purchasing of individual policies for member cities for property coverages and public officials liability. SLAIT is governed by a 12 person Board of Trustees who have contracted with the firm of Daniel and Henry Company for its administration and consulting services. The pool retains certain levels of coverage using a self insured retention created from member premiums and reinsures on both an individual stop loss and an aggregate annual stop loss with the General Reinsurance Company. Each policy year is segregated financially and dividends are paid to the member cities as all claims for each year are closed. During 2001, the City received a dividend from SLAIT of \$49,277.

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

7. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure, as part of the combined financial statements, of certain information concerning individual funds including:

Excess of expenditures over appropriations occurred in the following individual departments and funds:

<u>Fund</u>	<u>Amount</u>
General Fund:	
Administration	\$ 13,838
Health	215
Special Revenue:	
Special Allocation Fund - West	
County Center	59,561

The Sewer Lateral and Special Allocation Special Revenue Funds have interfund balances due to the General Fund at December 31, 2001 in the amounts of \$31,331 and \$28,364, respectively. These balances represent unreimbursed expenditures made by the General Fund on behalf of the Special Revenue Funds.

CITY OF DES PERES, MISSOURI

Notes To General Purpose Financial Statements (*Continued*)

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.

9. Subsequent Event

On January 1, 1998, the City entered into a \$29.8 million Tax Increment Financing (TIF) agreement with Westfield Partners (the "developer") for the redevelopment of West County Center in which the developer will submit periodic request, although no more frequently than quarterly, to the City for reimbursement of certain qualifying development expenses. These requests will be satisfied by the issuance of TIF notes by the City at an average rate of 9%. In accordance with the redevelopment plan, these TIF notes will ultimately be funded by proceeds from the City's issuance of TIF revenue bonds. Subsequent to the balance sheet date, the developer submitted the remaining \$5.36 million in reimbursement requests to the City (Note 4).

On March 1, 2002, the City issued \$7,170,000 in certificates of participation in connection with the City's lease/purchase agreement with the bank for the development of a Recreation Center. The agreement entered into by the City does not create a general obligation of the City. The City has agreed to pay the total base rentals under the lease for each fiscal year contingent upon the Board of Alderman appropriating such funds. The City's base rental payments under this agreement approximate the lessee's amortization schedule which calls for semiannual payments of interest beginning in August 2002 at rates ranging from 3.75% to 5.35% and for annual payments of principal in varying amounts beginning at \$380,000 in August 2007.



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, 2001 (With Comparative Actual Amounts For The Year Ended December 31, 2000)

	2001		Variance -	2000
	Budget	Actual	Favorable (Unfavorable)	Actual
Sales And Use Taxes	\$ 2,490,000	\$ 2,578,210	\$ 88,210	\$ 3,069,156
Intergovernmental				
Motor vehicle license fee	42,000	46,429	4,429	39,968
Motor vehicle sales tax	60,000	69,653	9,653	59,222
Gasoline tax	275,000	247,115	(27,885)	254,068
County road and bridge tax	251,400	262,909	11,509	249,571
County cigarette tax	41,000	35,388	(5,612)	39,181
Total Intergovernmental	669,400	661,494	(7,906)	642,010
Licenses				
Merchant and vending	430,800	394,246	(36,554)	511,750
Liquor	9,000	7,113	(1,887)	8,638
Total Licenses	439,800	401,359	(38,441)	520,388
Fees And Permits				
Building, occupancy and sign permits	35,250	109,577	74,327	38,110
Zoning and public improvements fees	10,000	7,410	(2,590)	6,360
Board of Adjustment fees	2,500	5,350	2,850	2,200
Recreational fees	110,000	128,821	18,821	106,203
Total Fees And Permits	157,750	251,158	93,408	152,873
Utility Gross Receipts Tax	665,500	714,165	48,665	672,862
Interest	100,000	147,412	47,412	184,974
Other				
Court fines	400,000	341,554	(58,446)	393,250
Contracts and grants	1,800	10,378	8,578	34,021
Other	880,000	739,968	(140,032)	406,148
Total Other	1,281,800	1,091,900	(189,900)	833,419
Total Revenues	\$ 5,804,250	\$ 5,845,698	\$ 41,448	\$ 6,075,682

CITY OF DES PERES, MISSOURI

GENERAL FUND - SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL For The Year Ended December 31, 2001 (With Comparative Actual Amounts For The Year Ended December 31, 2000)

	2001		Variance - Favorable (Unfavorable)	2000
	Budget	Actual		Actual
General Government				
Boards And Commissions				
Personal services	\$ 25,250	\$ 24,827	\$ 423	\$ 25,587
Material and supplies	1,200	740	460	3,913
Contractual services	70,850	49,170	21,680	64,892
Total Boards And Commissions	97,300	74,737	22,563	94,392
Administration				
Personal services	208,295	211,771	(3,476)	172,093
Material and supplies	600	672	(72)	1,109
Contractual services	5,750	16,040	(10,290)	4,624
Total Administration	214,645	228,483	(13,838)	177,826
Law				
Personal services	95,975	86,050	9,925	75,056
Material and supplies	100	1,946	(1,846)	283
Contractual services	67,000	58,024	8,976	56,414
Total Law	163,075	146,020	17,055	131,753
Finance				
Personal services	131,230	121,151	10,079	94,823
Material and supplies	100	795	(695)	9,016
Contractual services	51,250	56,715	(5,465)	92,478
Total Finance	182,580	178,661	3,919	196,317
Municipal Buildings				
Material and supplies	20,735	22,261	(1,526)	7,025
Contractual services	212,115	165,291	46,824	129,760
Total Municipal Buildings	232,850	187,552	45,298	136,785
Total General Government	\$ 890,450	\$ 815,453	\$ 74,997	\$ 737,073

(Continued)

CITY OF DES PERES, MISSOURI

GENERAL FUND - SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

(Continued)

For The Year Ended December 31, 2001

(With Comparative Actual Amounts For The Year Ended December 31, 2000)

	2001		Variance -	2000
	Budget	Actual	Favorable (Unfavorable)	Actual
Public Safety				
Personal services	\$ 3,073,550	\$ 3,043,945	\$ 29,605	\$ 2,795,083
Material and supplies	91,100	78,352	12,748	90,413
Contractual services	386,370	389,921	(3,551)	382,127
Total Public Safety	3,551,020	3,512,218	38,802	3,267,623
Public Works				
Personal services	284,125	276,736	7,389	258,012
Material and supplies	2,000	1,856	144	6,620
Contractual services	10,050	9,460	590	34,581
Total Public Works	296,175	288,052	8,123	299,213
Streets				
Personal services	414,975	383,276	31,699	381,780
Material and supplies	68,135	64,632	3,503	61,197
Contractual services	82,900	67,946	14,954	70,164
Total Streets	566,010	515,854	50,156	513,141
Health				
Material and supplies	—	—	—	1,323
Contractual services	496,500	496,715	(215)	443,167
Total Health	496,500	496,715	(215)	444,490
Parks And Recreation				
Park Maintenance				
Personal services	293,750	285,710	8,040	271,999
Material and supplies	52,750	58,430	(5,680)	49,478
Contractual services	47,450	43,326	4,124	24,283
Total Park Maintenance	393,950	387,466	6,484	345,760
Recreation				
Personal services	213,560	215,587	(2,027)	124,470
Material and supplies	14,100	11,755	2,345	9,233
Contractual services	87,045	84,213	2,832	73,214
Total Recreation	314,705	311,555	3,150	206,917
Total Parks And Recreation	708,655	699,021	9,634	552,677
Total General Fund	\$ 6,508,810	\$ 6,327,313	\$ 181,497	\$ 5,814,217

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The special revenue funds maintained by the City are as follows:

Sewer Lateral Fund

Used to account for sewer lateral fund revenues to be used for repair and maintenance of sewer lateral systems.

Special Allocation Fund - West County Center

Used to account for revenues generated by the West County Center TIF district for the payment of debt service and other expenditures.

CITY OF DES PERES, MISSOURI

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
December 31, 2001

	Sewer Lateral Fund	Special Allocation Fund - West County Center	Total
Assets			
Cash	\$ —	\$ 39,181	\$ 39,181
Intergovernmental revenue receivable	52,722	—	52,722
Total Assets	\$ 52,722	\$ 39,181	\$ 91,903
Liabilities And Fund Balances			
Liabilities			
Due to other funds	\$ 31,331	\$ 28,364	\$ 59,695
Fund Balances			
Unreserved - undesignated	21,391	10,817	32,208
Total Liabilities And Fund Balances	\$ 52,722	\$ 39,181	\$ 91,903

CITY OF DES PERES, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS For The Year Ended December 31, 2001

	Sewer Lateral Fund	Special Allocation Fund - West County Center	Total
Revenues			
Taxes	\$ 90,118	\$ —	\$ 90,118
Other	—	60,000	60,000
Total Revenues	90,118	60,000	150,118
Expenditures			
General government	—	64,061	64,061
Public works	52,481	—	52,481
Capital outlay	—	24,440,000	24,440,000
Total Expenditures	52,481	24,504,061	24,556,542
Excess (Deficiency) Of Revenues Over Expenditures Before Other Financing Sources	37,637	(24,444,061)	(24,406,424)
Other Financing Sources			
Proceeds from bond and note issuance	—	24,440,000	24,440,000
Excess (Deficiency) Of Revenues Over Expenditures	37,637	(4,061)	33,576
Fund Balances (Deficit) - Beginning Of Year	(16,246)	14,878	(1,368)
Fund Balances - End Of Year	\$ 21,391	\$ 10,817	\$ 32,208

CITY OF DES PERES, MISSOURI

SPECIAL REVENUE FUND - SEWER LATERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)
For The Year Ended December 31, 2001
(With Comparative Actual Amounts For The Year Ended December 31, 2000)

	<u>2001</u>			<u>2000</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>	<u>Actual</u>
Revenues				
Taxes	\$ 100,000	\$ 90,118	\$ (9,882)	\$ 96,622
Expenditures				
Public works	129,000	52,481	76,519	119,926
Excess (Deficiency) Of Revenues				
Over Expenditures Before Other				
Financing Uses	(29,000)	37,637	66,637	(23,304)
Other Financing Uses				
Transfers out	(5,000)	—	5,000	—
Excess (Deficiency) Of Revenues				
Over Expenditures	(34,000)	37,637	71,637	(23,304)
Fund Balances (Deficit) - Beginning Of Year	(16,246)	(16,246)	—	7,058
Fund Balances (Deficit) - End Of Year	\$ (50,246)	\$ 21,391	\$ 71,637	\$ (16,246)

CITY OF DES PERES, MISSOURI

**SPECIAL REVENUE FUND - SPECIAL ALLOCATION FUND -
WEST COUNTY CENTER****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)****For The Year Ended December 31, 2001****(With Comparative Actual Amounts For The Year Ended December 31, 2000)**

	2001		Variance - Favorable (Unfavorable)	2000
	Budget	Actual		Actual
Revenues				
Taxes	\$ 151,000	\$ —	\$ (151,000)	\$ 21,205
Other	—	60,000	60,000	—
Total Revenues	151,000	60,000	(91,000)	21,205
Expenditures				
General government	4,500	64,061	(59,561)	27,267
Excess (Deficiency) Of Revenues Over Expenditures Before Other Financing Uses	146,500	(4,061)	(150,561)	(27,267)
Other Financing Uses				
Transfers out	(45,000)	—	45,000	—
Excess (Deficiency) Of Revenues Over Expenditures	101,500	(4,061)	(105,561)	(27,267)
Fund Balances - Beginning Of Year	14,878	14,878	—	20,940
Fund Balances (Deficit) - End Of Year	\$ 116,378	\$ 10,817	\$ (105,561)	\$ (6,327)

Capital Projects Fund

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

General Capital Improvements Fund

Used to account for ongoing capital improvements to streets, sewers and municipal buildings.

Recreation Center Fund

Used to account for the construction of the recreation center.

CITY OF DES PERES, MISSOURI**COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
December 31, 2001**

	General Capital Improvements Fund	Recreation Center Fund	Total
Assets			
Cash	\$ 2,349,298	\$ 10,055,671	\$ 12,404,969
Receivables:			
Sales tax	104,856	121,319	226,175
Other	90,627	—	90,627
Total Assets	\$ 2,544,781	\$ 10,176,990	\$ 12,721,771
Liabilities And Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 143,772	\$ 331,282	\$ 475,054
Fund Balances			
Reserved for encumbrances	—	2,535,220	2,535,220
Designed for subsequent year purchases	755,317	—	755,317
Unreserved - undesignated	1,645,692	7,310,488	8,956,180
Total Fund Balances	2,401,009	9,845,708	12,246,717
Total Liabilities And Fund Balances	\$ 2,544,781	\$ 10,176,990	\$ 12,721,771

CITY OF DES PERES, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CAPITAL PROJECTS FUNDS For The Year Ended December 31, 2001

	General Capital Improvements Fund	Recreation Center Fund	Total
Revenues			
Taxes	\$ 1,216,170	\$ 1,212,153	\$ 2,428,323
Interest	156,792	469,857	626,649
Other	66,430	—	66,430
Total Revenues	1,439,392	1,682,010	3,121,402
Expenditures			
Capital Outlay:			
General government	70,038	—	70,038
Public safety	218,201	—	218,201
Public works	—	—	—
Streets	600,788	—	600,788
Health	—	—	—
Parks and recreation	175,258	1,310,360	1,485,618
Total Expenditures	1,064,285	1,310,360	2,374,645
Excess (Deficiency) Of Revenues Over Expenditures Before Other Financing Uses	375,107	371,650	746,757
Other Financing Uses			
Transfers out	(150,000)	(575,728)	(725,728)
Excess (Deficiency) Of Revenues Over Expenditures	225,107	(204,078)	21,029
Fund Balances - Beginning Of Year	12,225,688	—	12,225,688
Residual Equity Transfer	(10,049,786)	10,049,786	—
Fund Balances - End Of Year	\$ 2,401,009	\$ 9,845,708	\$ 12,246,717

CITY OF DES PERES, MISSOURI

CAPITAL PROJECTS FUND - GENERAL CAPITAL IMPROVEMENTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)

For The Year Ended December 31, 2001

(With Comparative Actual Amounts For The Year Ended December 31, 2000)

	2001		Variance -	2000
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues				
Taxes	\$ 1,060,000	\$ 1,216,170	\$ 156,170	\$ 1,397,067
Interest	130,000	156,792	26,792	336,775
Other	—	66,430	66,430	26,917
Total Revenues	1,190,000	1,439,392	249,392	1,760,759
Expenditures				
Capital outlay:				
General government	73,500	70,038	3,462	57,424
Public safety	495,650	218,201	277,449	181,714
Public works	—	—	—	9,436
Streets	540,500	600,788	(60,288)	883,761
Parks and recreation	160,700	175,258	(14,558)	4,896,542
Total Expenditures	1,270,350	1,064,285	206,065	6,028,877
Excess (Deficiency) Of Revenues Over Expenditures Before Other Financing Sources (Uses)	(80,350)	375,107	455,457	(4,268,118)
Other Financing Sources (Uses)				
Proceeds from bond and note issuance	—	—	—	14,664,503
Transfers out	(230,000)	(150,000)	80,000	—
Total Other Financing Sources (Uses)	(230,000)	(150,000)	80,000	14,664,503
Excess (Deficiency) Of Revenues Over Expenditures	(310,350)	225,107	535,457	10,396,385
Fund Balances - Beginning Of Year	12,225,688	12,225,688	—	1,829,303
Residual Equity Transfer	—	(10,049,786)	(10,049,786)	—
Fund Balances - End Of Year	\$ 11,915,338	\$ 2,401,009	\$ (9,514,329)	\$ 12,225,688

CITY OF DES PERES, MISSOURI

CAPITAL PROJECTS FUND - RECREATION CENTER FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)

For The Year Ended December 31, 2001

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues			
Taxes	\$ 1,060,000	\$ 1,212,153	\$ 152,153
Interest	130,000	469,857	339,857
Total Revenues	1,190,000	1,682,010	492,010
Expenditures			
Capital outlay: Parks and recreation	2,560,000	1,310,360	1,249,640
Excess (Deficiency) Of Revenues Over Expenditures Before Other Financing Uses	(1,370,000)	371,650	1,741,650
Other Financing Uses			
Transfers out	(786,000)	(575,728)	210,272
Excess (Deficiency) Of Revenues Over Expenditures	(2,156,000)	(204,078)	1,951,922
Fund Balances - Beginning Of Year	—	—	—
Residual Equity Transfer	—	10,049,786	10,049,786
Fund Balances (Deficit) - End Of Year	\$ (2,156,000)	\$ 9,845,708	\$ 12,001,708



Part 3

Statistical Section

CITY OF DES PERES, MISSOURI

GENERAL GOVERNMENTAL EXPENDITURES BY DEPARTMENT For The Last Ten Fiscal Years

Table 1

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Boards and Commissions	\$ 55,713	\$ 68,113	\$ 63,244	\$ 75,428	\$ 81,244	\$ 75,135	\$ 114,284	\$ 122,305	\$ 94,391	\$ 74,737
Administration	191,707	102,032	110,900	117,639	125,737	148,944	159,651	157,130	177,834	228,483
Law	84,617	79,070	82,306	119,447	121,688	140,421	171,547	122,884	131,752	146,020
Public Safety	1,648,189	1,729,812	1,791,035	1,890,182	1,954,306	2,625,380	2,807,121	2,731,646	3,267,625	3,512,218
Public Works	454,423	479,797	500,017	486,854	186,396	260,713	278,109	256,522	299,211	288,052
Streets ⁽¹⁾	—	—	—	—	369,493	443,695	474,008	469,551	513,141	515,854
Health	315,438	359,784	340,626	333,991	312,361	286,993	323,375	351,942	444,490	496,715
Municipal Buildings	140,509	121,892	130,514	138,516	137,668	126,573	123,700	128,166	136,784	187,552
Recreation	175,905	151,946	154,890	155,254	172,110	206,228	219,879	192,438	206,916	311,555
Park Maintenance	189,259	200,614	217,357	212,131	233,025	281,266	310,349	297,355	345,758	387,466
Finance	5,417	135,425	126,403	141,378	154,582	156,127	175,999	175,473	196,315	178,661
Insurance and Pension ⁽²⁾	535,275	434,850	530,109	661,099	661,295	—	—	—	—	—
Total	\$ 3,846,452	\$ 3,863,335	\$ 4,047,401	\$ 4,331,919	\$ 4,509,905	\$ 4,751,475	\$ 5,158,022	\$ 5,005,412	\$ 5,814,217	\$ 6,327,313

(1) In 1996, the Public Works department was split into two separate departments, Public Works and Streets.

(2) In 1997, the Insurance & Pension costs were distributed to departments.

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

GENERAL GOVERNMENTAL REVENUE BY SOURCE For The Last Ten Fiscal Years

Table 2

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Taxes ⁽¹⁾⁽²⁾	\$ 2,544,420	\$ 2,655,242	\$ 3,121,205	\$ 2,984,452	\$ 2,796,389	\$ 2,848,908	\$ 2,984,631	\$ 3,166,096	\$ 3,069,156	\$ 2,578,210
Intergovernmental	436,536	463,940	488,546	526,652	546,194	571,441	576,870	648,055	642,010	661,494
Licenses	355,776	438,455	503,785	480,819	479,047	482,572	501,790	539,857	520,387	401,359
Fees and Permits	148,846	167,563	175,055	171,377	160,599	195,670	182,923	159,031	152,872	251,158
Utility Gross Receipts Tax	510,935	534,397	549,400	596,610	599,218	607,583	614,096	639,126	672,861	714,165
Interest	31,419	23,615	29,359	59,223	78,628	99,717	140,684	116,130	184,974	147,412
Miscellaneous	164,729	162,424	161,640	193,658	312,816	329,625	353,199	438,042	833,422	1,091,900
Total	\$ 4,192,661	\$ 4,445,636	\$ 5,028,990	\$ 5,012,791	\$ 4,972,891	\$ 5,135,516	\$ 5,354,193	\$ 5,706,337	\$ 6,075,682	\$ 5,845,698

(1) Sales Tax Revenue sharing began in 1994. The three-year phase in, which was estimated to be approximately 20%, was in full effect during fiscal year 1996.

(2) The City eliminated all real estate tax assessments in 1995.

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

MUNICIPAL TAX REVENUE BY SOURCE For The Last Ten Fiscal Years

Table 3

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Sales Tax ⁽¹⁾	\$ 2,236,766	\$ 2,362,471	\$ 2,837,432	\$ 2,984,397	\$ 2,793,271	\$ 2,848,908	\$ 2,984,631	\$ 3,166,096	\$ 3,069,156	\$ 2,578,210
Property Tax ⁽²⁾	300,726	285,294	272,570	23	—	—	—	—	—	—
Public Utility Tax	3,021	4,867	8,923	—	3,118	—	—	—	—	—
Interest and Penalties	2,285	34	1	32	—	—	—	—	—	—
Intangible	1,622	2,576	2,279	—	—	—	—	—	—	—
Total	\$ 2,544,420	\$ 2,655,242	\$ 3,121,205	\$ 2,984,452	\$ 2,796,389	\$ 2,848,908	\$ 2,984,631	\$ 3,166,096	\$ 3,069,156	\$ 2,578,210

(1) Sales Tax Revenue sharing began in 1994. The three-year phase in, which was estimated to be approximately 20%, was in full effect during fiscal year 1996.

(2) The City eliminated all real estate tax assessments in 1995.

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

INTERGOVERNMENTAL REVENUE BY SOURCE For The Last Ten Fiscal Years

Table 4

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Motor Vehicle License Fees	\$ 33,537	\$ 34,609	\$ 37,467	\$ 37,568	\$ 38,386	\$ 38,807	\$ 40,102	\$ 44,145	\$ 39,968	\$ 46,429
Motor Vehicle Sales Tax	33,468	39,899	45,484	47,727	49,469	53,437	57,505	63,491	59,222	69,653
Gasoline Tax	151,176	163,995	189,053	199,223	219,801	233,592	235,930	246,815	254,068	247,115
County Road and Bridge Tax	181,640	187,038	179,408	200,444	199,257	207,779	202,370	255,579	249,571	262,909
County Cigarette Tax	36,715	38,399	37,134	41,690	39,281	37,826	40,963	38,025	39,181	35,388
Total	\$ 436,536	\$ 463,940	\$ 488,546	\$ 526,652	\$ 546,194	\$ 571,441	\$ 576,870	\$ 648,055	\$ 642,010	\$ 661,494

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

LICENSE REVENUE BY SOURCE For The Last Ten Fiscal Years

Table 5

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Merchant & Vending	\$ 355,061	\$ 427,318	\$ 491,282	\$ 470,112	\$ 468,945	\$ 471,565	\$ 492,230	\$ 531,192	\$ 511,750	\$ 394,246
Liquor	715	11,137	12,503	10,707	10,102	11,007	9,560	8,665	8,637	7,113
Total	\$ 355,776	\$ 438,455	\$ 503,785	\$ 480,819	\$ 479,047	\$ 482,572	\$ 501,790	\$ 539,857	\$ 530,387	\$ 401,359

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

FEES AND PERMITS REVENUE BY SOURCE For The Last Ten Fiscal Years

Table 6

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Building, Occupancy and Sign Permits	\$ 17,625	\$ 32,998	\$ 28,117	\$ 21,917	\$ 17,325	\$ 45,380	\$ 41,022	\$ 36,190	\$ 38,110	\$ 109,577
Zoning and Public Improvement Fees	6,504	8,177	12,760	23,399	14,706	21,340	10,177	3,710	6,360	7,410
Cable Franchise ⁽¹⁾	21,337	22,018	20,208	22,005	23,663	-	-	-	-	-
Board of Adjustment Fees	3,975	1,700	4,350	2,675	1,250	2,520	6,400	900	2,200	5,350
Recreational Fees	99,405	102,730	109,620	101,381	103,655	126,430	125,324	118,231	106,202	128,821
Total	\$ 148,846	\$ 167,623	\$ 175,055	\$ 171,377	\$ 160,599	\$ 195,670	\$ 182,923	\$ 159,031	\$ 152,872	\$ 251,158

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

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI**MISCELLANEOUS REVENUE BY SOURCE
For The Last Ten Fiscal Years****Table 7**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Court Fines	\$ 103,905	\$ 112,459	\$ 105,205	\$ 112,550	\$ 152,347	\$ 162,072	\$ 246,103	\$ 308,887	\$ 393,250	\$ 341,554
Rent	1,200	1,200	1,200	1,200	1,200	3,146	-	-	-	-
Accident Reports	2,595	3,298	3,382	3,283	2,552	-	-	-	-	-
Contracts and Grants	51,015	43,039	49,193	55,500	81,750	88,000	30,625	-	34,021	10,378
Other	6,014	2,428	2,660	21,124	74,967	76,407	76,471	129,155	406,148	739,968
Total	\$ 164,729	\$ 162,424	\$ 161,640	\$ 193,657	\$ 312,816	\$ 329,625	\$ 353,199	\$ 438,042	\$ 833,419	\$1,091,900

Source: Audited Financial Statements

CITY OF DES PERES, MISSOURI

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

Table 8

Calendar Year	Real Estate		Personal Property		Railroads & Utilities	
	Assessed Value ⁽¹⁾⁽²⁾	Estimated Actual Value	Assessed Value ⁽¹⁾⁽²⁾	Estimated Actual Value	Assessed Value ⁽¹⁾⁽²⁾	Estimated Actual Value
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
1998	176,083,370	804,033,653	36,154,477	108,572,003	3,324,469	10,388,966
1999	190,146,660	868,249,589	37,400,199	112,312,910	2,749,897	8,593,428
2000	195,240,990	889,728,509	41,461,187	124,383,561	2,797,418	8,741,931
2001	210,849,440	962,926,506	40,244,206	120,732,618	2,822,816	8,821,300

(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

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

Table 9

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Taxes levied on property in the										
City Of Des Peres, Missouri:										
City of Des Peres	0.350	0.270	0.240	0.000	0.000	0.000	0.000	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	0.580	0.580	0.580	0.580	0.580	0.580	0.580	0.580	0.580	0.580
Special School District	0.610	0.620	0.630	0.620	0.620	0.620	0.640	0.620	0.623	0.835
St. Louis Community College	0.220	0.220	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.230
St. Louis County Library	0.125	0.130	0.130	0.140	0.140	0.140	0.140	0.140	0.140	0.140
Metro Sewer District:	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.069
Metro Sewer District Extension	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.019
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	0.214	0.220	0.224	0.228	0.232	0.232	0.232	0.227	0.232	0.222
Sheltered Workshop	0.085	0.085	0.085	0.085	0.085	0.085	0.080	0.085	0.085	0.085
Totals	2.524	2.465	2.469	2.233	2.237	2.237	2.252	2.232	2.240	2.430
 School Districts (2):										
Kirkwood	2.970	3.320	3.650	3.780	3.810	3.870	3.790	4.220	4.225	3.946
Parkway	3.120	3.130	3.090	3.530	3.430	3.440	3.730	3.640	3.603	3.455

CITY OF DES PERES, MISSOURI
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Table 10

Fiscal Year	Total Tax Levy	Tax Collection	Percentage of Current Taxes Collected	Total Tax Collection	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Outstanding Delinquent Taxes to Total Tax Levy
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 ⁽¹⁾⁽²⁾	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
1998	—	—	—	—	—	—	—
1999	—	—	—	—	—	—	—
2000	—	—	—	—	—	—	—
2001	—	—	—	—	—	—	—

(1) Delinquent tax collection records are maintained by 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

COMPUTATION OF DIRECT AND OVERLAPPING DEBT December 31, 2001

Table 11

	Net General Obligation Debt	Applicable to the City of Des Peres	Amount Applicable to the City of Des Peres
Direct:			
City of Des Peres	\$ 16,035,000	100.00%	\$ 16,035,000
Overlapping:			
St. Louis County	225,395,000	1.00%	2,253,950
Parkway School District	83,970,390	2.00%	1,679,408
Kirkwood School District	38,900,000	17.00%	6,613,000
State of Missouri	929,545,000	0.31%	2,881,590
Total Overlapping	1,277,810,390		13,427,948
Total	\$ 1,293,845,390		\$ 29,462,948

- (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

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

Table 12

Fiscal Year	Population ⁽¹⁾	Assessed Value	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
1998	8,591	176,083,370	1,335,000	66,683	1,268,317	0.72	147
1999	8,679	190,146,660	1,240,000	74,758	1,165,242	0.61	134
2000	8,592	195,240,190	16,140,000	92,323	16,044,677	8.22	1,878
2001	8,592	253,916,462	16,035,000	112,005	15,922,995	6.27	1,853

(1) The 2000 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**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL OBLIGATION BONDED DEBT
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS****Table 13**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio Of Debt Service to General Governmental Expenditures
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	5,000	64,691	149,691	4,751,475	3.15
1998	95,000	61,700	156,700	5,314,722	2.95
1999	95,000	59,072	154,072	5,323,350	2.89
2000	100,000	54,280	154,280	6,115,690	2.52
2001	105,000	625,255	730,255	7,175,130	8.71

Source: Audited Financial Statements – includes total expenditures, less capital outlay, of the general, special revenue and debt service funds.

CITY OF DES PERES, MISSOURI

PRINCIPAL TAXPAYERS December 31, 2001

Table 14

Taxpayer	Type of Business	2001 Assessed Value	Percentage Of Total Assessed Value ⁽¹⁾
EDJ Leasing Co. LP	Investment Company	\$ 11,952,190	4.71%
Southwestern Bell	Telecommunications	5,883,680	2.32%
Tenet Health	Health Care	4,985,530	1.96%
Duke Realty	Telecommunications	4,527,810	1.78%
Southwest Bank	Banking	3,204,060	1.26%
DL Ferguson	Retail Shopping	2,477,250	0.98%
Walmart	Retail Shopping	2,256,390	0.89%
May Department Stores	Retail Shopping	2,114,260	0.83%
West County Center LLC	Retail Shopping	2,057,440	0.81%
Des Peres LLC, ETAL	Retail Shopping	2,039,230	0.80%
		<u>\$ 41,497,840</u>	<u>16.34%</u>

(1) Based on 2001 assessed valuation equal to \$253,916,462.

Source: Office of the St. Louis County Assessor.

CITY OF DES PERES, MISSOURI
BUILDING PERMITS AND CONSTRUCTION
For The Last Ten Fiscal Years

Table 15

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Number of Permits	130	153	111	116	107	139	257	376	364	277
Value of Construction	\$ 2,993,855	\$ 4,947,607	\$ 7,050,925	\$ 20,418,141	\$ 2,090,435	\$ 6,381,408	\$ 30,121,416	\$ 28,535,000	\$ 47,763,466	\$ 42,596,725

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

CITY OF DES PERES, MISSOURI

SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS
December 31, 2001**Table 16**

Name and Title of Official	Annual Salary	Amount Surety Bond
Douglas Harms, City Administrator	\$ 96,200	\$ 250,000
William Bridges, Director of Public Safety	77,960	250,000
Denis Knock, Director of Public Works	74,594	250,000
Susan Trautman, Director of Parks and Recreation	62,842	250,000
Andrew Reiter, CPA, Director of Finance	55,276	250,000

CITY OF DES PERES, MISSOURI

MISCELLANEOUS STATISTICS December 31, 2001

Table 17

Date Incorporated	1934 Village 1954 Fourth Class City
Form of Government	Mayor-Council-City Administrator
Number of Employees	
Full Time	69
Part-time and seasonal	33
Area in square miles	4.25
Miles of Sidewalks	31
Miles of Streets	54
Number of Streets	216
Number of Streetlights	142
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	39
Average Number of Police Calls per month	1,213
Average Number of Fire Calls per month	55
Average Number of EMS Calls per month	57
Average Number of physical arrests	46
<u>Economic and Demographic</u>	<u>Des Peres</u> <u>St. Louis County</u>
Population	8,592 1,016,315
Number of Households	3,071 404,312
Median Family Income	\$ 106,195 \$ 61,680
Per Capita Income	\$ 40,916 \$ 27,595
Median Home Value	\$ 253,500 \$ 116,600

CITY OF DES PERES, MISSOURI

MISCELLANEOUS STATISTICS December 31, 2001

Table 17 (Continued)

Major Employers Within the City of Des Peres

Number Of Employees

1. Edward D. Jones and Company	Investment Company	886
2. Deaconess Hospital	Health Care	695
3. Cingular Wireless	Telecommunications	425
4. Famous Barr	Department Store	410
5. Southwestern Bell	Telecommunications	400
6. Schnucks Markets	Grocery Store	240
7. Sam's Wholesale Club	Warehouse Store	200
8. Wehrenberg Theaters	Theater & Corporate Office	68

School Enrollment:

<u>Fiscal Year</u>	<u>Total Enrollment Parkway</u>	<u>Total Enrollment Kirkwood</u>
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	20,700	5,061
1998	20,700	5,061
1999	21,000	5,061
2000	20,547	4,984
2001	20,231	5,061