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1-1-2003

## Comprehensive Annual Financial Report, 2002

City of Des Peres

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# **CITY OF DES PERES, MISSOURI**

**Comprehensive Annual Financial Report  
For The Fiscal Year Ended December 31, 2002**

**CITY OF DES PERES, MISSOURI**

**Comprehensive Annual Financial Report  
For The Fiscal Year Ended December 31, 2002**

Prepared by the Finance Department  
Andrew Reiter, CPA, Director of Finance

**CITY OF DES PERES, MISSOURI**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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**CITY OF DES PERES, MISSOURI**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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**INTRODUCTORY SECTION**

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March 6, 2003

Honorable Richard Lahr  
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, 2002, 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 U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. It is our belief that the accompanying Fiscal Year 2002 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 (TIF) 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 has been 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.

On September 4, 2002, the TIF Bond Issue was sold. The total issue amounted to \$40,115,000 including the TIF principal and accrued interest. The entire issue was sold in less than two days. This is indicative of the public's view of the financial strength of the redeveloped Mall and the City.

The public perception was that the grand re-opening of West County Center would result in an immediate windfall of tax dollars to the City of Des Peres. This view is far from accurate. While the re-opening of the mall is a financially positive event for Des Peres, especially when it is compared to the revenue prospects of having the older, smaller, declining West County Center, there is no short-term cash windfall.

The impact of the new retail facility with its five anchors: Famous-Barr, J.C. Penney, Lord & Taylor, Galyan's and the St. Louis area's first Nordstrom is not a short-term financial panacea. Increases in sales tax revenues from the new shopping center will be partially offset by TIF payment Agreement and the increased public safety costs incurred as a result of servicing the new Mall. Under the TIF agreement, fifty cents (\$0.50) of each dollar of sales tax revenue in excess of the amount generated in the "Base Year" of 1996, is sent to the Bond Trustee to pay off the TIF notes. Most, if not all of the financial gains to the City of Des Peres resulting from the redevelopment, will not be immediate, but long-term.

During the fiscal year ended December 31, 2002, Des Peres experienced the same economic doldrums that have plagued the entire country. Because Des Peres is heavily dependent on sales tax and other economic activity revenue, the upheaval brought about by the September 11<sup>th</sup> terrorist attack on the United States and subsequent war in Iraq have taken their toll on the City's revenues. Even though the re-opening of the Westfield Shoppingtown - West County on September 20, 2002, lifted the general economic conditions in Des Peres, the revenue generated by the mall has fallen short of the pre-opening projections.



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

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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. These employment centers offer a strong customer base for area retail stores restaurants.

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 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 area along Des Peres’ Manchester Road business corridor. Office construction experienced a sharp downturn in 2002 mostly caused by the general economic decline. No new office construction occurred during fiscal year 2002 and office development remains anemic in early 2003. Other office development projects have also fared poorly in the past year. More than 130,000 sq. ft. of new office space has been approved to be constructed but has been abandoned by the developer due to the current economic climate.

Not everything regarding commercial construction was bleak in 2002. Construction has started on Phase II of the Perico Center development that was originally approved in 1998. The additional 25,000 square feet will double the project total to 50,000 square feet.

The City of Des Peres has experienced increases in revenues on average of 4.85% over the last ten years. Although the short-term outlook is not as financially robust as the past decade, 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 City of Des Peres 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 twenty 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. On March 20, 2002, the City of Des Peres issued \$7,170,000 in Certificate of Participation (COPS) notes in 2002 to complete the financing of the Community Center project.

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

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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.

During 2002, the City continued its technology update program with hardware and infrastructure upgrades to City Hall and the Public Safety building. In 2002, the City connected the Public Safety building and City Hall using fiber optic cable provided by Charter Communications under their franchise agreement. With these two buildings electronically linked, Des Peres has been able to take advantage of the efficiencies that arise when each department has access to the network. The City has set up email accounts for each employee and use email as an internal message center as well as an external communications device. Plans are in place to connect the recreation center as soon as construction allows.

## **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.

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

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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 U.S. 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 the 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. Thus, the Board exercises control over budgeted expenditures throughout the fiscal year.

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, 2002 totaled \$6,886,933. This represents a 17.81% increase over 2001. This increase is due to the surge of sales tax, merchant licenses and permit fees brought about by the re-opening of Westfield Shoppingtown - West County Mall and also the rise electric and gas utility franchise revenues. The following schedule represents a summary all General Fund revenues for 2001 and 2002.

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

Revenue Source	For the Year Ended December 31.		2002 Percent Of Total	Increase (Decrease) Over 2001	Percent Increase (Decrease)
	2001	2002			
Revenue Source					
Sales and Use Taxes	\$2,578,210	\$ 3,639,015	52.85%	\$ 1,060,805	41.15%
Intergovernmental					
Motor Vehicle License	46,429	41,546	0.60%	(4,883)	(10.52)%
Motor Vehicle Sales	69,653	64,439	0.94%	(5,214)	(7.49)%
Gasoline Tax	247,115	234,469	3.40%	(12,646)	(5.12)%
County Road and Bridge	262,909	262,600	3.81%	(309)	(0.12)%
County Cigarette	35,388	33,828	0.49%	(1,560)	(4.41)%
	661,494	636,882	9.25%	(24,612)	(3.72)%
Licenses					
Merchant and Vending	394,246	554,221	8.05%	159,975	40.58%
Liquor	7,113	6,348	0.09%	(765)	(10.76)%
	401,359	560,569	8.14%	159,210	39.67%
Fees & Permits					
Bldg., Occup. and Sign	109,577	153,938	2.24%	44,361	40.48%
Zoning and Public Impr.	7,410	9,210	0.13%	1,800	24.29%
Board of Adjustment	5,350	2,350	0.03%	(3,000)	(56.07)%
Recreational Fees	128,821	111,394	1.62%	(17,427)	(13.53)%
	251,158	276,892	4.02%	25,734	10.25%
Utility Gross Receipts Tax	714,165	734,475	10.66%	20,310	2.84%
Interest	147,412	70,472	1.02%	(76,940)	(52.19)%
Court	341,554	314,791	4.57%	(26,763)	(7.84)%
Contracts and grants	10,378	4,745	0.07%	(5,633)	(54.28)%
Other	739,968	649,092	9.42%	(90,876)	(12.28)%
	1,091,900	968,628	14.06%	(123,272)	(11.29)%
	\$ 5,845,698	\$ 6,886,933	100.00%	\$1,041,235	17.81%

**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 52.85% of the General Fund revenue in 2002. 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 2002. The rebound of sales tax revenue from the prior year is, substantially due to revenue generated by the re-opening of the West County Center Mall tempered by the general economic decline.

**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 9.25% 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. The fee license fee is based on taxable sales for

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

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retail businesses and on square footage for other businesses. In 2002, these fees represented 8.14% of the annual General Fund revenues.

**Interest Income** - In 2002, interest income continued its decline dropping to only 1.02% of annual General Fund revenue. This is mostly due to the ongoing 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 being held in cash equivalent instruments (Certificates of Deposits having maturities less than one-year).

**Fees and Permits** - Fees and permit revenues represent 4.02% of the General Fund revenue. All 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 in several of the city's older neighborhoods during the year.

**Utility Gross Receipt Taxes** - During 2002, Utility Gross Receipt Tax revenues amounted to 10.66% of the total revenue for the General Fund. The decline in the telephone receipts has leveled off. And the electric, water and cable franchise fees are continuing their modest growth. 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-4.0%, and the water company-5.0%.

General fund expenditures for 2002 amounted to \$7,060,233. Personnel costs represent 74.5% of all General Fund expenses. The Department of Public Safety is the largest department, representing 55.24% 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 12.48% of all expenditures. The Health Department is responsible for providing residential trash and recycling service, mosquito fogging and animal control. Weekly curbside trash pickup is provided to City residents free of charge and represents 6.74% of City general fund expenditures. The Parks and Recreation department accounts for 12.41% of the General Fund expenses. The Parks department maintains the four primary, developed park areas within Des Peres as well as the smaller green-space parcels donated to the City. The Recreation Department is gearing up for the opening of the LODGE, the Des Peres recreation center, in the fall of 2003. The LODGE will offer indoor and outdoor swimming and recreational water activities, fitness center, gymnasium and meeting and banquet capabilities in its 74,000 square foot building. The recreation department also operates a variety of programs and special events throughout the year. A summary of general fund expenditures is provided below.

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

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	For the Year Ended December 31,		2002 Percent Of Total	Increase (Decrease) Over 2001	Percent Increase (Decrease)
	2001	2002			
Boards and Commissions	\$ 74,737	\$ 97,875	1.39%	\$ 23,138	30.96%
Administration	228,483	258,164	3.66%	29,681	12.99%
Law	146,020	142,376	2.02%	(3,466)	(2.50)%
Finance	178,661	186,224	2.64%	7,563	4.23%
Municipal Buildings	187,552	241,133	3.42%	53,581	28.57%
Public Safety	3,512,218	3,900,307	55.24%	388,089	11.05%
Public Works	288,052	309,408	4.38%	21,356	7.41%
Streets	515,854	572,142	8.10%	56,288	10.91%
Health	496,715	476,153	6.74%	(20,562)	(4.14)%
Recreation	387,466	465,955	6.60%	78,489	20.26%
Park Maintenance	311,555	410,496	5.81%	98,941	31.76%
	<u>\$ 6,327,313</u>	<u>\$ 7,060,233</u>	<u>100.00%</u>	<u>\$ 732,920</u>	<u>11.58%</u>

**General Fund Balances**

The operating deficit for the fiscal year was \$173,300. Adding the operating transfers into the fund, the fund balance of the General Fund rose to \$3,007,592 during fiscal year 2002.

**Special Revenue Fund**

This fund is used to account for the receipts and disbursements of three separate streams of revenues and their related expenses. They are the Parks and Recreation sales tax levy of one-half of one percent (.5%), the \$28.00 per residence Sewer Lateral Fee and repair program, and the operations of the Tax Increment District. The fund balance of the Special Revenue Fund reflects the combined fund balances of all three segments. At the end of 2002 the fund balance of the Parks and Recreation Sales Tax Fund was \$757,333, the fund balance of the Sewer Lateral Fund was \$39,785 and the fund balance of the Special Allocation Fund-West County Center was \$6,297,086. The combined fund balance of the Special Revenue Fund at December 31, 2002 was \$7,094,204.

**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%) 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 2002 was \$11,474,357. This represents a fund balance of \$1,783,794 in the Capital Improvements Fund and \$9,690,563 in the Community Center Fund.

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

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**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 2002, the City's debt was as follows:

	Ratio Of Debt		
	To Assessed	Value	Debt Per
	Amount		Capita
Net Bonded Debt	\$ 15,730,000	5.92%	\$1,818

The debt service fund is used to account for all expenditures relating to the debt service of the outstanding long-term debt. The revenue in this fund is transferred from the Capital Improvements fund and the Special Revenue Parks and Recreation Sales Tax 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 are \$40,115,000 of Tax Increment Financing Notes and \$7,170,000 of Certificates of Participation. The 2002 TIF 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. The Certificates of Participation represent an additional source of financing for the construction of the Recreation Center. The debt service for the Certificates of Participation will come from the Special Revenue Parks and Recreation Sales Tax Fund.

**Cash Management**

Cash temporarily idle during the year was invested in certificates of deposit, obligations of various U.S. Government agencies and a mutual fund containing only U.S. Government Treasury or agency obligations. Although the current investment policy allows maturities of up to three years, no investment held during 2002 had maturity in excess of one year. The City's policy regarding investments is to minimize credit and market risk while maintaining a competitive yield on its portfolio. With the exception of certain pension forfeiture deposits, all City deposits and investments are insured by federal depository insurance, collateralized, or held by the counterparty's trust department or agent in the City's name. Acceptable collateral are obligations of the U.S Treasury 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.

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

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**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. A 12 member Board of Trustees who has contracted with the firm of Daniel and Henry Company for its administration and consulting services governs SLAIT.

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 2002 the City of Des Peres received a dividend from SLAIT of \$46,635.

**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 Hochschild, Bloom & Company 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,



Andrew Reiter, CPA  
Director of Finance



CITY OF DES PERES, MISSOURI

CITY OFFICIALS

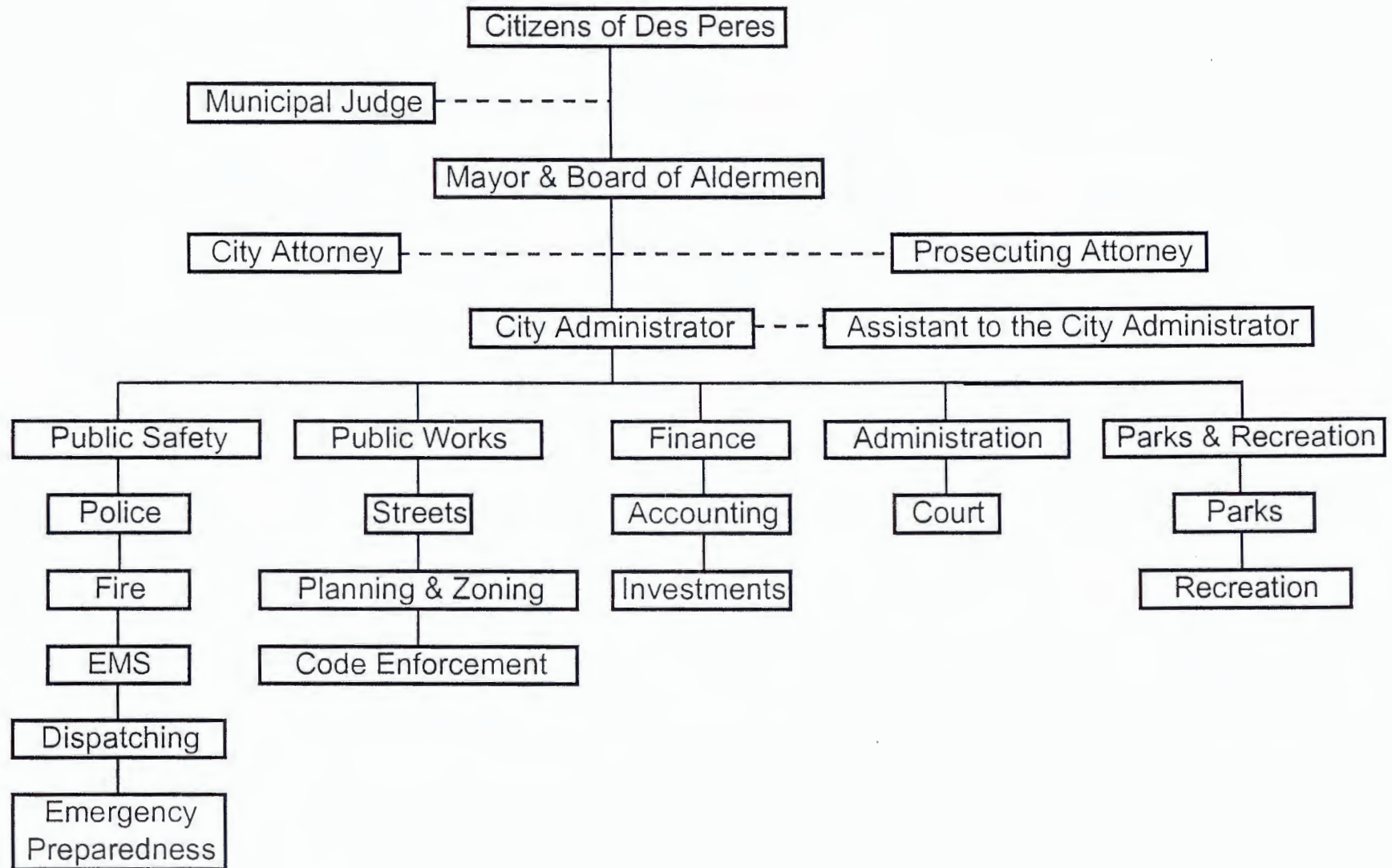
Elected Officials

Rick Lahr.....	Mayor
Kathleen Gmelich .....	Alderman Ward I
John Pound.....	Alderman Ward I
Jim Kleinschmidt .....	Alderman Ward II
Paul Racziewicz .....	Alderman Ward II
James Doering.....	Alderman Ward III
Paul Fingerhut.....	Alderman Ward III
Charles Billings.....	Municipal Judge

Appointed Officials

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

# 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, 2001

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



President

Executive Director

**FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

March 6, 2003

Honorable Mayor and City Council  
**CITY OF DES PERES, MISSOURI**

We have audited the accompanying general purpose financial statements of the **CITY OF DES PERES, MISSOURI** (the City) as of and for the year ended December 31, 2002, as listed in 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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 as of December 31, 2002, and the results of its operations for the year then ended in conformity with U.S. generally accepted accounting principles.

As discussed in Note J to the general purpose financial statements, in 2002 the City changed its method of accounting for nonexchange revenues.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

We did not audit the statistical data included in the statistical section of this report and, therefore, express no opinion thereon.

*Hochschild, Bloom + Company LLP*

**CERTIFIED PUBLIC ACCOUNTANTS**

**CITY OF DES PERES, MISSOURI**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**DECEMBER 31, 2002**

	Governmental Fund Types				Account Groups		Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Debt Service	General Fixed Assets	General Long-Term Debt	
<b>ASSETS AND OTHER DEBITS</b>							
Cash and investments	\$ 2,329,997	6,579,152	12,270,902	112,932	-	-	21,292,983
Receivables:							
Taxes	1,235,092	427,681	390,381	-	-	-	2,053,154
Interest	26,860	48,202	94,998	107	-	-	170,167
Other	88,593	54,671	-	-	-	-	143,264
Prepaid items	181,296	-	-	-	-	-	181,296
Cash and investments - restricted	88,015	-	724,865	-	-	-	812,880
Fixed assets	-	-	-	-	25,572,941	-	25,572,941
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	62,902,207	62,902,207
Amount available in Debt Service Fund	-	-	-	-	-	112,793	112,793
<b>Total Assets And Other Debits</b>	<b>\$ 3,949,853</b>	<b>7,109,706</b>	<b>13,481,146</b>	<b>113,039</b>	<b>25,572,941</b>	<b>63,015,000</b>	<b>113,241,685</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>							
<b>Liabilities</b>							
Accounts payable	\$ 120,130	15,502	1,378,151	246	-	-	1,514,029
Retainage payable	-	-	628,638	-	-	-	628,638
Accrued payroll and compensated absences	209,174	-	-	-	-	-	209,174
Deposits payable	589,878	-	-	-	-	-	589,878
Court bonds payable	10,604	-	-	-	-	-	10,604
Deferred revenue	12,475	-	-	-	-	-	12,475
Certificates of participation	-	-	-	-	-	7,170,000	7,170,000
General obligation bonds	-	-	-	-	-	15,730,000	15,730,000
Tax increment revenue bonds	-	-	-	-	-	40,115,000	40,115,000
<b>Total Liabilities</b>	<b>942,261</b>	<b>15,502</b>	<b>2,006,789</b>	<b>246</b>	<b>-</b>	<b>63,015,000</b>	<b>65,979,798</b>
<b>Fund Equity and Other Credits</b>							
Investment in general fixed assets	-	-	-	-	25,572,941	-	25,572,941
Fund balances:							
Reserved for prepaids	181,296	-	-	-	-	-	181,296
Reserved for debt service	-	-	-	112,793	-	-	112,793
Reserved for employees retirement system	376,065	-	-	-	-	-	376,065
Unreserved:							
Designated for subsequent year purchases	-	-	583,314	-	-	-	583,314
Undesignated	2,450,231	7,094,204	10,891,043	-	-	-	20,435,478
<b>Total Fund Equity And Other Credits</b>	<b>3,007,592</b>	<b>7,094,204</b>	<b>11,474,357</b>	<b>112,793</b>	<b>25,572,941</b>	<b>-</b>	<b>47,261,887</b>
<b>Total Liabilities, Fund Equity And Other Credits</b>	<b>\$ 3,949,853</b>	<b>7,109,706</b>	<b>13,481,146</b>	<b>113,039</b>	<b>25,572,941</b>	<b>63,015,000</b>	<b>113,241,685</b>

**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, 2002**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Totals (Memorandum Only)</u>
<b>REVENUES</b>					
Taxes	\$3,639,015	1,881,570	1,563,697	-	7,084,282
Intergovernmental	636,882	-	-	-	636,882
Licenses	560,569	-	-	-	560,569
Fees and permits	276,892	-	-	-	276,892
Utility gross receipts tax	734,475	-	-	-	734,475
Investment income	70,472	105,365	347,219	9,045	532,101
Miscellaneous	968,628	-	96,812	9,746	1,075,186
<b>Total Revenues</b>	<u>6,886,933</u>	<u>1,986,935</u>	<u>2,007,728</u>	<u>18,791</u>	<u>10,900,387</u>
<b>EXPENDITURES</b>					
Current:					
General government	925,772	2,526	-	-	928,298
Public safety	3,900,307	-	-	-	3,900,307
Public works	309,408	71,369	-	-	380,777
Streets	572,142	-	-	-	572,142
Health	476,153	-	-	-	476,153
Parks and recreation	876,451	-	-	-	876,451
Capital outlay	-	5,360,000	9,365,027	-	14,725,027
Debt service:					
Principal retirement	-	-	-	305,000	305,000
Interest and fiscal charges	-	-	-	935,918	935,918
Bond issue costs	-	826,016	-	180,085	1,006,101
<b>Total Expenditures</b>	<u>7,060,233</u>	<u>6,259,911</u>	<u>9,365,027</u>	<u>1,421,003</u>	<u>24,106,174</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(173,300)</u>	<u>(4,272,976)</u>	<u>(7,357,299)</u>	<u>(1,402,212)</u>	<u>(13,205,787)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	338,000	-	1,800,000	1,403,000	3,541,000
Operating transfers out	-	(2,311,000)	(1,230,000)	-	(3,541,000)
Proceeds from bond issue	-	45,075,872	7,170,000	-	52,245,872
Payment to bond escrow agent	-	(32,706,426)	-	-	(32,706,426)
<b>Total Other Financing Sources (Uses)</b>	<u>338,000</u>	<u>10,058,446</u>	<u>7,740,000</u>	<u>1,403,000</u>	<u>19,539,446</u>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	164,700	5,785,470	382,701	788	6,333,659
FUND BALANCES, JANUARY 1	2,689,707	32,208	12,246,717	112,005	15,080,637
CHANGE IN ACCOUNTING PRINCIPLE	153,185	-	121,465	-	274,650
RESIDUAL EQUITY TRANSFER	-	1,276,526	(1,276,526)	-	-
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$3,007,592</u>	<u>7,094,204</u>	<u>11,474,357</u>	<u>112,793</u>	<u>21,688,946</u>

See notes to financial statements

**CITY OF DES PERES, MISSOURI**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**ALL GOVERNMENTAL FUND TYPES - BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	General Fund			Special Revenue Funds		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>						
Taxes	\$ 3,341,500	3,639,015	297,515	2,374,225	1,881,570	(492,655)
Intergovernmental	675,000	636,882	(38,118)	-	-	-
Licenses	408,000	560,569	152,569	-	-	-
Fees and permits	294,000	276,892	(17,108)	-	-	-
Utility gross receipts tax	685,000	734,475	49,475	-	-	-
Investment income	100,000	70,472	(29,528)	-	105,365	105,365
Miscellaneous	1,026,050	968,628	(57,422)	-	-	-
<b>Total Revenues</b>	<b>6,529,550</b>	<b>6,886,933</b>	<b>357,383</b>	<b>2,374,225</b>	<b>1,986,935</b>	<b>(387,290)</b>
<b>EXPENDITURES</b>						
Current:						
General government	1,025,350	925,772	(99,578)	7,000	2,526	(4,474)
Public safety	4,008,460	3,900,307	(108,153)	-	-	-
Public works	314,060	309,408	(4,652)	51,045	71,369	20,324
Streets	608,500	572,142	(36,358)	-	-	-
Health	483,000	476,153	(6,847)	-	-	-
Parks and recreation	925,940	876,451	(49,489)	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	594,000	-	(594,000)
Bond issue costs	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>7,365,310</b>	<b>7,060,233</b>	<b>(305,077)</b>	<b>652,045</b>	<b>73,895</b>	<b>(578,150)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(835,760)</b>	<b>(173,300)</b>	<b>662,460</b>	<b>1,722,180</b>	<b>1,913,040</b>	<b>190,860</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	288,000	338,000	50,000	601,000	-	(601,000)
Operating transfers out	-	-	-	(2,713,500)	(2,311,000)	(402,500)
Proceeds from bond issue	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>288,000</b>	<b>338,000</b>	<b>50,000</b>	<b>(2,112,500)</b>	<b>(2,311,000)</b>	<b>198,500</b>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	<b>(547,760)</b>	<b>164,700</b>	<b>712,460</b>	<b>(390,320)</b>	<b>(397,960)</b>	<b>(7,640)</b>
<b>ADJUSTMENT TO RECONCILE TO PAGE 3 AMOUNT</b>						
Unbudgeted fund activity	-	-	-	-	6,183,430	6,183,430
<b>FUND BALANCES, JANUARY 1</b>	<b>2,689,707</b>	<b>2,689,707</b>	<b>-</b>	<b>32,208</b>	<b>32,208</b>	<b>-</b>
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>-</b>	<b>153,185</b>	<b>153,185</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RESIDUAL EQUITY TRANSFER</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,276,526</b>	<b>1,276,526</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 2,141,947</b>	<b>3,007,592</b>	<b>865,645</b>	<b>(358,112)</b>	<b>7,094,204</b>	<b>7,452,316</b>

(Continued)

See notes to financial statements



**CITY OF DES PERES, MISSOURI**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**ALL GOVERNMENTAL FUND TYPES - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Capital Projects Funds			Debt Service Fund		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>						
Taxes	2,118,160	1,563,697	(554,463)	-	-	-
Intergovernmental	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Fees and permits	-	-	-	-	-	-
Utility gross receipts tax	-	-	-	-	-	-
Investment income	371,038	347,219	(23,819)	5,000	9,045	4,045
Miscellaneous	50,000	96,812	46,812	8,625	9,746	1,121
<b>Total Revenues</b>	<b>2,539,198</b>	<b>2,007,728</b>	<b>(531,470)</b>	<b>13,625</b>	<b>18,791</b>	<b>5,166</b>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Streets	-	-	-	-	-	-
Health	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Capital outlay	10,389,269	9,365,027	(1,024,242)	-	-	-
Debt service:						
Principal retirement	-	-	-	305,000	305,000	-
Interest and fiscal charges	-	-	-	1,099,111	935,918	(163,193)
Bond issue costs	-	-	-	179,755	180,085	330
<b>Total Expenditures</b>	<b>10,389,269</b>	<b>9,365,027</b>	<b>(1,024,242)</b>	<b>1,583,866</b>	<b>1,421,003</b>	<b>(162,863)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,850,071)</b>	<b>(7,357,299)</b>	<b>492,772</b>	<b>(1,570,241)</b>	<b>(1,402,212)</b>	<b>168,029</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	1,800,000	1,800,000	-	1,403,000	1,403,000	-
Operating transfers out	(1,378,500)	(1,230,000)	148,500	-	-	-
Proceeds from bond issue	7,155,000	7,170,000	15,000	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>7,576,500</b>	<b>7,740,000</b>	<b>163,500</b>	<b>1,403,000</b>	<b>1,403,000</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	<b>(273,571)</b>	<b>382,701</b>	<b>656,272</b>	<b>(167,241)</b>	<b>788</b>	<b>168,029</b>
<b>ADJUSTMENT TO RECONCILE TO PAGE 3 AMOUNT</b>						
Unbudgeted fund activity	-	-	-	-	-	-
<b>FUND BALANCES, JANUARY 1</b>	<b>12,246,717</b>	<b>12,246,717</b>	<b>-</b>	<b>112,005</b>	<b>112,005</b>	<b>-</b>
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>-</b>	<b>121,465</b>	<b>121,465</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>RESIDUAL EQUITY TRANSFER</b>	<b>-</b>	<b>(1,276,526)</b>	<b>(1,276,526)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>11,973,146</b>	<b>11,474,357</b>	<b>(498,789)</b>	<b>(55,236)</b>	<b>112,793</b>	<b>168,029</b>

See notes to financial statements

**CITY OF DES PERES, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied by the **CITY OF DES PERES, MISSOURI** (the City) in the preparation of the accompanying combined financial statements are summarized below:

**1. Reporting Entity**

The general purpose financial statements of the City include the financial activities of the City and its component units. The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14. The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's Board or because the component unit will provide a financial benefit or impose a financial burden on the City. Based on these requirements, the general purpose financial statements include all funds, account groups, agencies, boards, commissions and authorities for which the City is financially accountable.

**2. 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. Government 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 in the general purpose financial statements are as follows:

**GOVERNMENTAL FUNDS**

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

**Special Revenue Funds** -- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Capital Projects Funds** -- Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital items.

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

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**CITY OF DES PERES, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Fund Accounting (Continued)**

**ACCOUNT GROUPS**

**General Fixed Assets** -- The general fixed assets used in the City's operations are to be accounted for in the General Fixed Assets Account Group rather than in the governmental funds.

**General Long-Term Debt** -- Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

**3. Basis of Accounting**

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 governmental fund types are accounted for on the current financial resources measurement focus using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for interest on obligations in the General Long-Term Debt Account Group which is recorded in the governmental fund types when paid. Sales and utilities gross receipts taxes collected and held at year-end on behalf of the City are also recognized as revenue. Licenses, permits, fines, fees, recreation programs and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

**4. Budgets and Budgetary Accounting**

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

- a. 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 debt in the Special Revenue - Special Allocation Fund, which is considered unbudgeted activity. Therefore,

**CITY OF DES PERES, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. Budgets and Budgetary Accounting (Continued)**

the activity related to the issuance of the TIF debt is not reflected in the budgetary basis statements.

- b. 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.
- c. Prior to January 1, the budget is legally enacted by passage of salary ordinances and an adopting resolution.
- d. Transfers of budgeted amounts between departments within the same fund are made by the City Administrator and approved by the Board of Aldermen.
- e. Current year budget includes amendments. 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. At the end of the current fiscal year, no encumbrances were outstanding

**5. Investments**

Investments are carried at fair value.

**6. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**7. Fixed Assets**

General fixed assets acquired for general governmental purposes are recorded as expenditures in the governmental funds. Assets are valued at original or estimated original cost.

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**CITY OF DES PERES, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. Fixed Assets (Continued)**

Contributed fixed assets are stated at estimated fair market value at the date of contribution. No depreciation has been provided on general fixed assets. Assets acquired under lease/purchase agreements are recorded at the inception of the agreement.

Public domain ("infrastructure") general fixed assets, including roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, have not been capitalized. Such assets normally are immovable and of value only to the City. Therefore, the purpose of stewardship for capital expenditures is satisfied without recording these assets.

**8. 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 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.

**9. Property Tax Revenue**

Property taxes attach as an enforceable lien on property as of January 1, based on the assessed value of the property. Taxes are levied on September 1 and are due and payable on or before December 31.

Currently, the City does not assess a property tax.

**10. 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.

**11. Total Columns on Combined Statements - Overview**

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither 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 FINANCIAL STATEMENTS**

**NOTE B - CASH AND INVESTMENTS**

**1. Deposits**

The City's bank deposits are required by state law to be secured by the deposit of certain securities specified at RSMo 30.270 with the City or trustee institution. The value of the securities must amount to the total of the City's cash not insured by the Federal Deposit Insurance Corporation. As of December 31, 2002, the City's bank deposits were fully insured or collateralized with securities held by the City or its agent in the City's name.

**2. Investments**

State statutes and City policy authorize the investment in obligations of the U.S. Treasury, agencies and instrumentalities, time deposit certificates and repurchase agreements.

The City's investments are categorized below to give an indication of the level of risk assumed by the City at year-end as: (1) insured or registered with securities held by the City or its agent in the City's name or (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the City's name.

	<b>December 31, 2002</b>		
	<b>Categories</b>		<b>Carrying Amount/ Fair Value</b>
	<b>1</b>	<b>2</b>	
U.S. Government and agency securities	\$ -	10,293,862	10,293,862
Repurchase agreement	-	250,000	250,000
	<u>\$ -</u>	<u>10,543,862</u>	<u>10,543,862</u>
Money market funds			890,520
Cash deposits			<u>10,671,481</u>
Total Cash And Investments			<u>\$22,105,863</u>

**NOTE C - CHANGES IN GENERAL FIXED ASSETS**

The following is a summary of changes in general fixed assets:

	<b>For The Year Ended December 31, 2002</b>			
	<b>Balance December 31 2001</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31 2002</b>
	Land and land improvements	\$ 7,479,273	559,701	-
Buildings	5,870,874	7,753,735	-	13,624,609
Automotive equipment	1,412,095	146,373	114,408	1,444,060
Furniture, fixtures and equipment	<u>2,107,058</u>	<u>360,440</u>	<u>2,200</u>	<u>2,465,298</u>
Total	<u>\$16,869,300</u>	<u>8,820,249</u>	<u>116,608</u>	<u>25,572,941</u>

The December 31, 2001 balances have been restated due to prior year misclassifications.

**CITY OF DES PERES, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE D - LONG-TERM DEBT**

Long-term debt consisted of the following:

	<b>December 31 2002</b>
\$15,000,000 general obligation bonds, Series 2000, due in annual installments through February 1, 2020, interest ranges from 4.35% to 5.35%.	<b>\$14,800,000</b>
\$7,170,000 certificates of participation, Series 2002, due in annual installments through August 1, 2020, interest ranges from 3.75% to 5.35%.	<b>7,170,000</b>
\$1,775,000 general obligation refunding bonds, Series 1993, due in annual installments through February 1, 2009, interest ranges from 2.5% to 4.9%.	<b><u>930,000</u></b>
	<b><u>\$22,900,000</u></b>

Changes in general long-term debt are as follows:

	<b>For The Year Ended December 31, 2002</b>			<b>Balance December 31 2002</b>		
	<b>Balance December 31 2001</b>	<b>Additions</b>	<b>Deletions</b>			
	Tax increment revenue bonds	\$ -	40,115,000		-	<b>40,115,000</b>
	Tax increment financing note	24,440,000	5,360,000		29,800,000	-
General obligation bonds	16,035,000	-	305,000	<b>15,730,000</b>		
Certificates of participation	-	<u>7,170,000</u>	-	<b><u>7,170,000</u></b>		
	<b><u>\$40,475,000</u></b>	<b><u>52,645,000</u></b>	<b><u>30,105,000</u></b>	<b><u>63,015,000</u></b>		

The summary of principal debt service requirements are as follows:

<b>For The Years Ended December 31</b>	<b>2000 Issue</b>		<b>2002 Issue</b>		<b>1993 Refunding Issue</b>		<b>Total</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2003	\$ 200,000	754,538	-	347,888	115,000	40,679	315,000	1,143,105
2004	200,000	745,687	-	347,887	120,000	35,595	320,000	1,129,169
2005	200,000	736,738	-	347,888	120,000	30,255	320,000	1,114,881
2006	200,000	727,687	-	347,887	135,000	24,416	335,000	1,099,990
2007	525,000	711,062	380,000	347,888	140,000	17,953	1,045,000	1,076,903
2008 - 2012	3,925,000	3,074,494	2,140,000	1,495,288	300,000	14,909	6,365,000	4,584,691
2013 - 2017	5,500,000	1,854,225	2,680,000	952,307	-	-	8,180,000	2,806,532
2018 - 2020	<u>4,050,000</u>	<u>336,150</u>	<u>1,970,000</u>	<u>214,267</u>	-	-	<u>6,020,000</u>	<u>550,417</u>
	<b><u>\$14,800,000</u></b>	<b><u>8,940,581</u></b>	<b><u>7,170,000</u></b>	<b><u>4,401,300</u></b>	<b><u>930,000</u></b>	<b><u>163,807</u></b>	<b><u>22,900,000</u></b>	<b><u>13,505,688</u></b>

On September 1, 2002, the City issued \$40,115,000 in tax increment revenue bonds to construct certain public improvements for the West County Center project. Interest and principal on the bonds are to be paid annually on April 15 beginning in the year 2004, with a final maturity date of April 15, 2020. The bonds and the interest thereon are special limited obligations of the City, payable solely from payments in lieu of taxes attributable to the increase in assessed value of real property, incremental increases in economic activity taxes in the project area and monies on deposit in the Debt Service Reserve Fund. The bonds do not constitute a general obligation of the City.

**CITY OF DES PERES, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE E - PENSION PLANS**

**1. 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, a 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 \$315,335 for the year ended December 31, 2002.

**2. 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 \$.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 FINANCIAL STATEMENTS**

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**NOTE F - PRIOR PERIOD ADJUSTMENTS**

The previously stated fund balance has been adjusted as follows:

	<b><u>General Fund</u></b>
Fund balance, December 31, 2001 as previously reported	\$2,609,422
Restatement for:	
Accounts receivable and deferred revenue	37,050
Accounts payable	<u>43,235</u>
Fund Balance, December 31, 2001, As Restated	<u>\$2,689,707</u>

**NOTE G - 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 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 2002, the City received a dividend from SLAIT of \$46,635.

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.

**NOTE H - COMMITMENTS AND CONTINGENCIES**

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed and determinable in amount. Various suits and claims against the City are presently pending. It is management's opinion that any liability resulting from pending suits in excess of insurance coverage will not have a material effect on the combined financial statements of the City.

At December 31, 2002 the City had commitments related to construction and equipment in the amount of \$10,125,700.

**CITY OF DES PERES, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE I - PENDING ACCOUNTING PRONOUNCEMENTS**

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. In July 2001, the GASB issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. Under the revised requirements, governmental financial statements will include management's discussion and analysis (MD&A), basic financial statements that present both government-wide and fund financial statements, and required supplementary information. These Statements provide significant new accounting and financial reporting requirements for governments.

MD&A introduces the financial statements by giving readers a brief, objective and easily readable analysis of the City's financial performance for the year and its financial position at year-end, including an analysis of budgetary change and results.

The government-wide financial statements will provide information about the City without displaying fund or fund types. The financial statements will distinguish between the governmental and business-type activities. All information will be reported using the economic resources measurement focus and the accrual basis of accounting.

The fund financial statements will provide information about the City's funds. General capital assets and general long-term liabilities will be reported only in the government-wide financial statements as assets and liabilities of governmental activities. Governmental fund financial statements will focus on fiscal accountability and will report the flows and balances of current financial resources using the modified accrual basis of accounting. A single set of notes will apply to both government-wide and fund financial statements.

The model also includes required reporting for infrastructure assets. Reporting alternatives include historical cost-based depreciation and modified approach if the government maintains such assets at or above an established condition level. Retroactive infrastructure reporting will also become effective on a phase-in approach.

The City is required to adopt GASB Statement No. 34 in fiscal year 2004. The City has not completed the varied analyses required to estimate the financial statement impact of these new Statements.

**NOTE J - CHANGE IN ACCOUNTING PRINCIPLE**

In fiscal 2002, the City adopted the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Due to the change in accounting and reporting for nonexchange transactions, sales taxes are recognized at the time of the underlying exchange transaction for derived revenues. The cumulative effect of the change in accounting method is as follows:

**CITY OF DES PERES, MISSOURI**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE J - CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

General Fund	<u>\$153,185</u>
Capital Projects Funds:	
Capital Improvements Fund	\$ 57,092
Recreation Center Fund	<u>64,373</u>
	<u>\$121,465</u>

**SUPPLEMENTAL INFORMATION SECTION**

**GENERAL FUND**

The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - GENERAL FUND -**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Sales tax and use taxes	\$3,341,500	3,639,015	297,515
Intergovernmental:			
Gasoline tax	235,000	234,469	(531)
County road and bridge tax	280,000	262,600	(17,400)
Motor vehicle sales tax	65,000	64,439	(561)
Motor vehicle license fees	55,000	41,546	(13,454)
Cigarette tax	40,000	33,828	(6,172)
Total Intergovernmental	675,000	636,882	(38,118)
Licenses:			
Merchant and vending	400,900	554,221	153,321
Liquor	7,100	6,348	(752)
Total Licenses	408,000	560,569	152,569
Fees and permits:			
Building, occupancy and sign permits	51,000	113,066	62,066
Zoning and public improvements fees	10,000	9,210	(790)
Board of adjustment fees	5,000	2,350	(2,650)
Fire permits	100,000	40,872	(59,128)
Recreation fees	128,000	111,394	(16,606)
Total Fees And Permits	294,000	276,892	(17,108)
Utility gross receipts tax	685,000	734,475	49,475
Investment income	100,000	70,472	(29,528)
Miscellaneous:			
Court fines	400,000	314,791	(85,209)
Contracts and grants	6,000	4,745	(1,255)
Other	620,050	649,092	29,042
Total Miscellaneous	1,026,050	968,628	(57,422)
<b>TOTAL REVENUES</b>	<b>\$6,529,550</b>	<b>6,886,933</b>	<b>357,383</b>

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - GENERAL FUND -**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>EXPENDITURES:</b>			
General government:			
Boards and commissions:			
Personnel services	\$ 31,685	31,668	(17)
Materials and supplies	1,200	1,152	(48)
Contractual services	79,100	65,055	(14,045)
Administration:			
Personnel services	239,710	236,066	(3,644)
Materials and supplies	900	667	(233)
Contractual services	41,500	21,431	(20,069)
Law:			
Personnel services	92,515	87,850	(4,665)
Materials and supplies	100	379	279
Contractual services	74,650	54,147	(20,503)
Finance:			
Personnel services	126,550	123,675	(2,875)
Materials and supplies	250	-	(250)
Contractual services	74,045	62,549	(11,496)
Government center:			
Materials and supplies	19,940	24,565	4,625
Contractual services	243,205	216,568	(26,637)
Total General Government	1,025,350	925,772	(99,578)

(Continued)

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - GENERAL FUND -**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>EXPENDITURES (Continued):</b>	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Public safety:			
Personnel services	3,413,235	3,409,274	(3,961)
Materials and supplies	104,980	94,680	(10,300)
Contractual services	490,245	396,353	(93,892)
Total Public Safety	<u>4,008,460</u>	<u>3,900,307</u>	<u>(108,153)</u>
Public works:			
Personnel services	292,660	289,707	(2,953)
Materials and supplies	800	1,753	953
Contractual services	20,600	17,948	(2,652)
Total Public Works	<u>314,060</u>	<u>309,408</u>	<u>(4,652)</u>
Streets:			
Personnel services	447,375	443,686	(3,689)
Materials and supplies	74,645	57,553	(17,092)
Contractual services	86,480	70,903	(15,577)
Total Streets	<u>608,500</u>	<u>572,142</u>	<u>(36,358)</u>
Health - contractual services	<u>483,000</u>	<u>476,153</u>	<u>(6,847)</u>
Parks and recreation:			
Park maintenance:			
Personnel services	312,435	309,890	(2,545)
Materials and supplies	53,780	52,606	(1,174)
Contractual services	55,455	48,000	(7,455)
Recreation:			
Personnel services	342,635	328,809	(13,826)
Materials and supplies	12,660	12,372	(288)
Contractual services	148,975	124,774	(24,201)
Total Parks And Recreation	<u>925,940</u>	<u>876,451</u>	<u>(49,489)</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$7,365,310</u></u>	<u><u>7,060,233</u></u>	<u><u>(305,077)</u></u>



**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

**Sewer Lateral Fund** -- This fund is 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** -- This fund is used to account for revenues generated by the West County Center TIF district for the payment of debt service and other expenditures.

**Parks and Recreation Sales Tax Fund** -- This fund is used to account for ½¢ parks sales tax for the expenditure for park and recreational purposes.

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SPECIAL REVENUE FUNDS -**  
**COMBINING BALANCE SHEET**  
**DECEMBER 31, 2002**

	<u>Sewer Lateral Fund</u>	<u>Special Allocation Fund - West County Center</u>	<u>Parks And Recreation Sales Tax Fund</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and investments	\$ -	6,249,500	329,652	6,579,152
Receivables:				
Taxes	-	-	427,681	427,681
Interest	-	48,202	-	48,202
Other	54,671	-	-	54,671
	<u>54,671</u>	<u>-</u>	<u>-</u>	<u>54,671</u>
Total Assets	<u>\$ 54,671</u>	<u>6,297,702</u>	<u>757,333</u>	<u>7,109,706</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities</b>				
Account payable	\$ 14,886	616	-	15,502
<b>Fund Balances</b>				
Unreserved - undesignated	<u>39,785</u>	<u>6,297,086</u>	<u>757,333</u>	<u>7,094,204</u>
Total Liabilities And Fund Equity	<u>\$ 54,671</u>	<u>6,297,702</u>	<u>757,333</u>	<u>7,109,706</u>

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SPECIAL REVENUE FUNDS - COMBINING STATEMENT**  
**OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Sewer Lateral Fund	Special Allocation Fund - West County Center	Parks And Recreation Sales Tax Fund	Totals
<b>REVENUES</b>				
Taxes	\$ 97,763	-	1,783,807	1,881,570
Investment income	-	105,365	-	105,365
Total Revenues	<u>97,763</u>	<u>105,365</u>	<u>1,783,807</u>	<u>1,986,935</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	2,526	-	2,526
Public works	71,369	-	-	71,369
Capital outlay	-	5,360,000	-	5,360,000
Debt service:				
Bond issue costs	-	826,016	-	826,016
Total Expenditures	<u>71,369</u>	<u>6,188,542</u>	<u>-</u>	<u>6,259,911</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>26,394</u>	<u>(6,083,177)</u>	<u>1,783,807</u>	<u>(4,272,976)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers out	(8,000)	-	(2,303,000)	(2,311,000)
Proceeds from bond issue	-	45,075,872	-	45,075,872
Payment to bond escrow agent	-	(32,706,426)	-	(32,706,426)
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>12,369,446</u>	<u>(2,303,000)</u>	<u>10,058,446</u>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	18,394	6,286,269	(519,193)	5,785,470
FUND BALANCES, JANUARY 1	21,391	10,817	-	32,208
RESIDUAL EQUITY TRANSFER	-	-	1,276,526	1,276,526
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 39,785</u>	<u>6,297,086</u>	<u>757,333</u>	<u>7,094,204</u>

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SPECIAL REVENUE FUNDS - COMBINING**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - BUDGET BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Sewer Lateral Fund			Special Allocation Fund - West County Center		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>						
Taxes	\$ 93,675	97,763	4,088	-	-	-
Investment income	-	-	-	-	105,365	105,365
Total Revenues	<u>93,675</u>	<u>97,763</u>	<u>4,088</u>	<u>-</u>	<u>105,365</u>	<u>105,365</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	7,000	2,526	(4,474)
Public works	51,045	71,369	20,324	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	594,000	-	(594,000)
Total Expenditures	<u>51,045</u>	<u>71,369</u>	<u>20,324</u>	<u>601,000</u>	<u>2,526</u>	<u>(598,474)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>42,630</u>	<u>26,394</u>	<u>(16,236)</u>	<u>(601,000)</u>	<u>102,839</u>	<u>703,839</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	601,000	-	(601,000)
Operating transfers out	(8,000)	(8,000)	-	-	-	-
Total Other Financing Sources (Uses)	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>	<u>601,000</u>	<u>-</u>	<u>(601,000)</u>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	34,630	18,394	(16,236)	-	102,839	102,839
<b>FUND BALANCES, JANUARY 1</b>	21,391	21,391	-	10,817	10,817	-
<b>RESIDUAL EQUITY TRANSFER</b>	-	-	-	-	-	-
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 56,021</u>	<u>39,785</u>	<u>(16,236)</u>	<u>10,817</u>	<u>113,656</u>	<u>102,839</u>

(Continued)

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - SPECIAL REVENUE FUNDS - COMBINING**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - BUDGET BASIS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Parks And Recreation Sales Tax Fund			Totals		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
<b>REVENUES</b>						
Taxes	2,280,550	1,783,807	(496,743)	2,374,225	1,881,570	(492,655)
Investment income	-	-	-	-	105,365	105,365
Total Revenues	2,280,550	1,783,807	(496,743)	2,374,225	1,986,935	(387,290)
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	7,000	2,526	(4,474)
Public works	-	-	-	51,045	71,369	20,324
Debt service:						
Interest and fiscal charges	-	-	-	594,000	-	(594,000)
Total Expenditures	-	-	-	652,045	73,895	(578,150)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	2,280,550	1,783,807	(496,743)	1,722,180	1,913,040	190,860
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	-	-	601,000	-	(601,000)
Operating transfers out	(2,705,500)	(2,303,000)	(402,500)	(2,713,500)	(2,311,000)	(402,500)
Total Other Financing Sources (Uses)	(2,705,500)	(2,303,000)	(402,500)	(2,112,500)	(2,311,000)	198,500
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	(424,950)	(519,193)	(94,243)	(390,320)	(397,960)	(7,640)
<b>FUND BALANCES, JANUARY 1</b>	-	-	-	32,208	32,208	-
<b>RESIDUAL EQUITY TRANSFER</b>	-	1,276,526	1,276,526	-	1,276,526	1,276,526
<b>FUND BALANCES, DECEMBER 31</b>	(424,950)	757,333	1,182,283	(358,112)	910,774	1,268,886

## CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of major capital items.

**Capital Improvements Fund** -- This fund is used to account for the accumulation of resources, primarily from a 1/2¢ capital improvement sales tax, for the acquisition or construction of major capital items.

**Recreation Center Fund** -- This fund is used to account for the accumulation of resources, primarily from the issuance of bonds, for the construction of the recreation center.

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - CAPITAL PROJECTS FUNDS -**  
**COMBINING BALANCE SHEET**  
**DECEMBER 31, 2002**

	<u>Capital Improvements Fund</u>	<u>Recreation Center Fund</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ 1,387,441	10,883,461	12,270,902
Receivables:			
Taxes	390,381	-	390,381
Interest	17,146	77,852	94,998
Cash and investments - restricted	-	724,865	724,865
	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 1,794,968</u>	<u>11,686,178</u>	<u>13,481,146</u>
 <b>LIABILITIES AND FUND EQUITY</b>			
<b>Liabilities</b>			
Accounts payable	\$ 11,174	1,366,977	1,378,151
Retainage payable	-	628,638	628,638
Total Liabilities	<u>11,174</u>	<u>1,995,615</u>	<u>2,006,789</u>
 <b>Fund Balances</b>			
Unreserved:			
Designated for subsequent year purchases	583,314	-	583,314
Undesignated	1,200,480	9,690,563	10,891,043
Total Fund Balances	<u>1,783,794</u>	<u>9,690,563</u>	<u>11,474,357</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities And Fund Equity	<u>\$ 1,794,968</u>	<u>11,686,178</u>	<u>13,481,146</u>

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - CAPITAL PROJECTS FUNDS - COMBINING STATEMENT**  
**OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	Capital Improvements Fund	Recreation Center Fund	Totals
<b>REVENUES</b>			
Taxes	\$ 1,563,697	-	1,563,697
Investment income	86,777	260,442	347,219
Miscellaneous	96,812	-	96,812
Total Revenues	<u>1,747,286</u>	<u>260,442</u>	<u>2,007,728</u>
<b>EXPENDITURES</b>			
Capital outlay:			
General government	48,649	-	48,649
Public safety	372,214	-	372,214
Streets	526,780	-	526,780
Parks and recreation	243,950	8,173,434	8,417,384
Total Expenditures	<u>1,191,593</u>	<u>8,173,434</u>	<u>9,365,027</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>555,693</u>	<u>(7,912,992)</u>	<u>(7,357,299)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	1,800,000	1,800,000
Operating transfers out	(1,230,000)	-	(1,230,000)
Proceeds from bond issue	-	7,170,000	7,170,000
Total Other Financing Sources (Uses)	<u>(1,230,000)</u>	<u>8,970,000</u>	<u>7,740,000</u>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	(674,307)	1,057,008	382,701
<b>FUND BALANCES, JANUARY 1</b>	2,401,009	9,845,708	12,246,717
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	57,092	64,373	121,465
<b>RESIDUAL EQUITY TRANSFER</b>	-	(1,276,526)	(1,276,526)
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 1,783,794</u>	<u>9,690,563</u>	<u>11,474,357</u>



	<b>Capital Improvements Fund</b>		
	<b>Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>REVENUES</b>			
Taxes	\$ 2,118,160	1,563,697	(554,463)
Investment income	50,000	86,777	36,777
Miscellaneous	50,000	96,812	46,812
Total Revenues	<u>2,218,160</u>	<u>1,747,286</u>	<u>(470,874)</u>
<b>EXPENDITURES</b>			
Capital outlay:			
General government	49,000	48,649	(351)
Public safety	360,075	372,214	12,139
Streets	565,400	526,780	(38,620)
Parks and recreation	289,500	243,950	(45,550)
Total Expenditures	<u>1,263,975</u>	<u>1,191,593</u>	<u>(72,382)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>954,185</u>	<u>555,693</u>	<u>(398,492)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	-	-
Operating transfers out	(1,378,500)	(1,230,000)	148,500
Proceeds from bond issue	-	-	-
Total Other Financing Sources (Uses)	<u>(1,378,500)</u>	<u>(1,230,000)</u>	<u>148,500</u>
<b>REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES</b>	(424,315)	(674,307)	(249,992)
<b>FUND BALANCES, JANUARY 1</b>	2,401,009	2,401,009	-
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	-	57,092	57,092
<b>RESIDUAL EQUITY TRANSFER</b>	-	-	-
<b>FUND BALANCES, DECEMBER 31</b>	<u>\$ 1,976,694</u>	<u>1,783,794</u>	<u>(192,900)</u>

**CITY OF DES PERES, MISSOURI**  
**SUPPLEMENTAL INFORMATION - CAPITAL PROJECTS FUNDS - COMBINING**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

<u>Recreation Center Fund</u>			<u>Totals</u>		
<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
-	-	-	2,118,160	1,563,697	(554,463)
321,038	260,442	(60,596)	371,038	347,219	(23,819)
-	-	-	50,000	96,812	46,812
<u>321,038</u>	<u>260,442</u>	<u>(60,596)</u>	<u>2,539,198</u>	<u>2,007,728</u>	<u>(531,470)</u>
-	-	-	49,000	48,649	(351)
-	-	-	360,075	372,214	12,139
-	-	-	565,400	526,780	(38,620)
<u>9,125,294</u>	<u>8,173,434</u>	<u>(951,860)</u>	<u>9,414,794</u>	<u>8,417,384</u>	<u>(997,410)</u>
<u>9,125,294</u>	<u>8,173,434</u>	<u>(951,860)</u>	<u>10,389,269</u>	<u>9,365,027</u>	<u>(1,024,242)</u>
<u>(8,804,256)</u>	<u>(7,912,992)</u>	<u>891,264</u>	<u>(7,850,071)</u>	<u>(7,357,299)</u>	<u>492,772</u>
1,800,000	1,800,000	-	1,800,000	1,800,000	-
-	-	-	(1,378,500)	(1,230,000)	148,500
<u>7,155,000</u>	<u>7,170,000</u>	<u>15,000</u>	<u>7,155,000</u>	<u>7,170,000</u>	<u>15,000</u>
<u>8,955,000</u>	<u>8,970,000</u>	<u>15,000</u>	<u>7,576,500</u>	<u>7,740,000</u>	<u>163,500</u>
150,744	1,057,008	906,264	(273,571)	382,701	656,272
9,845,708	9,845,708	-	12,246,717	12,246,717	-
-	64,373	64,373	-	121,465	121,465
<u>-</u>	<u>(1,276,526)</u>	<u>(1,276,526)</u>	<u>-</u>	<u>(1,276,526)</u>	<u>(1,276,526)</u>
<u>9,996,452</u>	<u>9,690,563</u>	<u>(305,889)</u>	<u>11,973,146</u>	<u>11,474,357</u>	<u>(498,789)</u>

**STATISTICAL SECTION**

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**CITY OF DES PERES, MISSOURI**  
**GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (1)**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Boards And Commissions	Administration	Law	Public Safety	Public Works	Streets	Health	Municipal Building	Recreation	Park Maintenance	Finance	Insurance And Pension
1993	\$ 68,113	\$ 102,032	\$ 79,070	\$ 1,729,812	\$ 479,797	\$ -	\$ 359,784	\$ 121,892	\$ 151,946	\$ 200,614	\$ 135,425	\$ 434,850
1994	63,244	110,900	82,306	1,791,035	500,017	-	340,626	130,514	154,890	217,357	126,403	530,109
1995	75,428	117,639	119,447	1,890,182	486,854	-	333,991	138,516	155,254	212,131	141,378	661,099
1996 (2)	81,244	125,737	121,688	1,954,306	186,396	369,493	312,361	137,668	172,110	233,025	154,582	661,295
1997 (3)	75,135	148,944	140,421	2,625,380	260,713	443,695	286,993	126,573	206,228	281,266	156,127	-
1998	114,284	159,651	171,547	2,807,121	278,109	474,008	323,375	123,700	219,879	310,349	175,999	-
1999	122,305	238,418	122,884	2,731,646	339,100	469,551	351,942	128,166	192,438	297,355	175,473	-
2000	94,391	205,101	131,752	3,267,625	419,137	513,141	444,490	136,784	206,916	345,758	196,315	-
2001	74,737	292,544	146,020	3,512,218	340,533	515,854	496,715	187,552	311,555	387,466	178,661	-
2002	97,875	260,690	142,376	3,900,307	380,777	572,142	476,153	241,133	465,955	410,496	186,224	-

Fiscal Year	Debt Service	Capital Projects	Total
1993	\$ 284,233	\$ 509,384	\$ 4,656,952
1994	150,040	571,632	4,769,073
1995	150,803	1,451,297	5,934,019
1996 (2)	152,442	1,391,793	6,054,140
1997 (3)	149,691	1,442,277	6,343,443
1998	156,700	977,847	6,292,569
1999	154,072	1,435,618	6,758,968
2000	154,280	6,028,877	12,144,567
2001	731,275	2,374,645	9,549,775
2002	2,247,019	9,365,027	18,746,174

- (1) Includes all governmental fund types except Special Allocation Fund - West County Center capital outlay
- (2) In 1996, the public works department was split into two separate departments, public works and streets.
- (3) In 1997, the insurance and pension costs were distributed to departments.

**CITY OF DES PERES, MISSOURI**  
**GENERAL GOVERNMENT REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Taxes (2)(3)</u>	<u>Intergovernmental</u>	<u>Licenses</u>	<u>Fees And Permits</u>	<u>Utility Gross Receipts Tax</u>	<u>Investment Income</u>	<u>Miscellaneous</u>	<u>Total</u>
1993	\$ 2,655,242	\$ 463,940	\$ 438,455	\$ 167,563	\$ 534,397	\$ 23,615	\$ 162,424	\$ 4,445,636
1994	3,121,205	488,546	503,785	175,055	549,400	29,359	161,640	5,028,990
1995	2,984,452	526,652	480,819	171,377	596,610	59,223	193,658	5,012,791
1996	2,796,389	546,194	479,047	160,599	599,218	78,628	312,816	4,972,891
1997	2,848,908	571,441	482,572	195,670	607,583	99,717	329,625	5,135,516
1998	2,984,631	576,870	501,790	182,923	614,096	140,684	353,199	5,354,193
1999	3,166,096	648,055	539,857	159,031	639,126	116,130	438,042	5,706,337
2000	3,069,156	642,010	520,387	152,872	672,861	184,974	833,422	6,075,682
2001	2,578,210	661,494	401,359	251,158	714,165	147,412	1,091,900	5,845,698
<b>2002</b>	<b>3,639,015</b>	<b>636,882</b>	<b>560,569</b>	<b>276,892</b>	<b>734,475</b>	<b>70,472</b>	<b>968,628</b>	<b>6,886,933</b>

(1) Includes General Fund

(2) 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.

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

**CITY OF DES PERES, MISSOURI**  
**TAX REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Sales Tax (2)</b>	<b>Property Tax (3)</b>	<b>Public Utility Tax</b>	<b>Interest And Penalties</b>	<b>Intangible</b>	<b>Total</b>
1993	\$ 2,362,471	\$ 285,294	\$ 4,867	\$ 34	\$ 2,576	\$ 2,655,242
1994	2,837,432	272,570	8,923	1	2,279	3,121,205
1995	2,984,397	23	-	32	-	2,984,452
1996	2,793,271	-	3,118	-	-	2,796,389
1997	2,848,908	-	-	-	-	2,848,908
1998	2,984,631	-	-	-	-	2,984,631
1999	3,166,096	-	-	-	-	3,166,096
2000	3,069,156	-	-	-	-	3,069,156
2001	2,578,210	-	-	-	-	2,578,210
<b>2002</b>	<b>3,639,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,639,015</b>

(1) Includes General Fund

(2) 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.

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

**CITY OF DES PERES, MISSOURI**  
**INTERGOVERNMENTAL REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Years</b>	<b>Gasoline Tax</b>	<b>County Road And Bridge Tax</b>	<b>Motor Vehicle Sales Tax</b>	<b>Motor Vehicle License Fees</b>	<b>Cigarette Tax</b>	<b>Total</b>
1993	\$ 163,995	\$ 187,038	\$ 39,899	\$ 34,609	\$ 38,399	\$463,940
1994	189,053	179,408	45,484	37,467	37,134	488,546
1995	199,223	200,444	47,727	37,568	41,690	526,652
1996	219,801	199,257	49,469	38,386	39,281	546,194
1997	233,592	207,779	53,437	38,807	37,826	571,441
1998	235,930	202,370	57,505	40,102	40,963	576,870
1999	246,815	255,579	63,491	44,145	38,025	648,055
2000	254,068	249,571	59,222	39,968	39,181	642,010
2001	247,115	262,909	69,653	46,429	35,388	661,494
<b>2002</b>	<b>234,469</b>	<b>262,600</b>	<b>64,439</b>	<b>41,546</b>	<b>33,828</b>	<b>636,882</b>

(1) Includes General Fund

**CITY OF DES PERES, MISSOURI**  
**LICENSE REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**

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<u>Fiscal Years</u>	<u>Merchant And Vending</u>	<u>Liquor</u>	<u>Total</u>
1993	\$ 427,318	\$ 11,137	\$ 438,455
1994	491,282	12,503	503,785
1995	470,112	10,707	480,819
1996	468,945	10,102	479,047
1997	471,565	11,007	482,572
1998	492,230	9,560	501,790
1999	531,192	8,665	539,857
2000	511,750	8,637	520,387
2001	394,246	7,113	401,359
2002	554,221	6,348	560,569

(1) Includes General Fund



**CITY OF DES PERES, MISSOURI**  
**FEES AND PERMITS REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Years</b>	<b>Building, Occupancy And Sign Permits</b>	<b>Zoning And Public Improvements Fees</b>	<b>Cable Franchise</b>	<b>Board Of Adjustment Fees</b>	<b>Fire Permits</b>	<b>Recreation Fees</b>	<b>Total</b>
1993	\$ 32,998	\$ 8,177	\$ 22,018	\$ 1,700	\$ -	\$ 102,730	\$ 167,623
1994	28,117	12,760	20,208	4,350	-	109,620	175,055
1995	21,917	23,399	22,005	2,675	-	101,381	171,377
1996	17,325	14,706	23,663	1,250	-	103,655	160,599
1997	45,380	21,340	-	2,520	-	126,430	195,670
1998	41,022	10,177	-	6,400	-	125,324	182,923
1999	36,190	3,710	-	900	-	118,231	159,031
2000	38,110	6,360	-	2,200	-	106,202	152,872
2001	109,577	7,410	-	5,350	-	128,821	251,158
<b>2002</b>	<b>113,066</b>	<b>9,210</b>	<b>-</b>	<b>2,350</b>	<b>40,872</b>	<b>111,394</b>	<b>276,892</b>

(1) Includes General Fund

**CITY OF DES PERES, MISSOURI**  
**MISCELLANEOUS REVENUES BY SOURCE (1)**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Years</b>	<b>Court Fines</b>	<b>Rent</b>	<b>Accident Reports</b>	<b>Contracts And Grants</b>	<b>Other</b>	<b>Total</b>
1993	\$ 112,459	\$ 1,200	\$ 3,298	\$ 43,039	\$ 2,428	\$ 162,424
1994	105,205	1,200	3,382	49,193	2,660	161,640
1995	112,550	1,200	3,283	55,500	21,124	193,657
1996	152,347	1,200	2,552	81,750	74,967	312,816
1997	162,072	3,146	-	88,000	76,407	329,625
1998	246,103	-	-	30,625	76,471	353,199
1999	308,887	-	-	-	129,155	438,042
2000	393,250	-	-	34,021	406,148	833,419
2001	341,554	-	-	10,378	739,968	1,091,900
2002	314,791	-	-	4,745	649,092	968,628

(1) Includes General Fund

**CITY OF DES PERES, MISSOURI**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Calender Year	Real Estate		Personal Property		Railroads And Utilities	
	Assessed Value (1)(2)	Estimated Actual Value	Assessed Value (1)(2)	Estimated Actual Value	Assessed Value (1)(2)	Estimated Actual Value
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
<b>2002</b>	<b>219,120,290</b>	<b>976,986,770</b>	<b>41,900,792</b>	<b>125,702,376</b>	<b>2,752,945</b>	<b>8,602,953</b>

(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 at 32%. All personal property is assessed at 33-1/3%.

Source: St. Louis County Assessor

**CITY OF DES PERES, MISSOURI**

**PROPERTY TAX RATES PER \$100 ASSESSED VALUATION - DIRECT AND ALL OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
City of Des Peres, Missouri	<u>\$0.270</u>	<u>\$0.240</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
Overlapping governments:										
State of Missouri	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	<b>0.030</b>
St. Louis County	0.580	0.580	0.580	0.580	0.580	0.580	0.580	0.580	0.580	<b>0.580</b>
Special School District	0.620	0.630	0.620	0.620	0.620	0.640	0.620	0.623	0.835	<b>0.849</b>
St. Louis Community College	0.220	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.230	<b>0.232</b>
St. Louis County Library	0.130	0.130	0.140	0.140	0.140	0.140	0.140	0.140	0.140	<b>0.140</b>
Metro Sewer District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.069	<b>0.069</b>
Metro Sewer District Extension	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.019	<b>0.019</b>
Mississippi River Anti-Pollution	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.020	<b>0.000</b>
Sugar Creek Subdistrict	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	<b>0.062</b>
Deer Creek Subdistrict	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	<b>0.060</b>
Meramec River Basin Subdistrict	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	<b>0.070</b>
Metropolitan Zoological Park	0.220	0.224	0.228	0.232	0.232	0.232	0.227	0.232	0.222	<b>0.222</b>
Sheltered Workshop	0.085	0.085	0.085	0.085	0.085	0.080	0.085	0.085	0.085	<b>0.085</b>
Total Overlapping Governments	<u>2.195</u>	<u>2.229</u>	<u>2.233</u>	<u>2.237</u>	<u>2.237</u>	<u>2.252</u>	<u>2.232</u>	<u>2.240</u>	<u>2.430</u>	<u>2.418</u>
Total City And Overlapping Governments	<u>2.465</u>	<u>2.469</u>	<u>2.233</u>	<u>2.237</u>	<u>2.237</u>	<u>2.252</u>	<u>2.232</u>	<u>2.240</u>	<u>2.430</u>	<u>2.418</u>
School districts:										
Kirkwood	3.320	3.650	3.780	3.810	3.870	3.790	4.220	4.225	3.946	<b>3.744</b>
Parkway	3.130	3.090	3.530	3.430	3.440	3.730	3.640	3.603	3.455	<b>3.511</b>

Source: St. Louis County Assessor

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

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collection</u>	<u>Percentage Of Current Taxes Collected</u>	<u>Total Tax Collection</u>	<u>Ratio Of Total Tax Collections To Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio Of Outstanding Delinquent Taxes To Total Tax Levy</u>
1993	\$ 386,099	\$ 356,828	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	-	-	-	-	-	-	-
<b>2002</b>	-	-	-	-	-	-	-

- (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 eliminated property taxes in 1995.

**CITY OF DES PERES, MISSOURI**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**DECEMBER 31, 2002**

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NET ASSESSED VALUE, AS OF JANUARY 1, 2002	<u>\$ 263,774,027</u>
DEBT LIMIT - 10% OF ASSESSED VALUE (*)	\$ 26,377,403
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT:	
TOTAL BONDED DEBT	15,730,000
LESS - AMOUNT AVAILABLE IN DEBT SERVICE FUND FOR BONDED DEBT	<u>112,793</u>
NET AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT	<u>15,617,207</u>
LEGAL DEBT MARGIN	<u>\$ 10,760,196</u>

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

**CITY OF DES PERES, MISSOURI**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**DECEMBER 31, 2002**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable To City Of Des Peres</u>	<u>Amount Applicable To City Of Crestwood</u>
City of Des Peres	\$ 15,730,000	100.00 %	\$ 15,730,000
St. Louis County	217,760,000	1.00	2,177,600
Parkway School District	78,125,390	2.00	1,562,508
Kirkwood School District	37,285,000	17.00	6,338,450
State of Missouri	<u>906,750,000</u>	0.31	<u>2,810,925</u>
Total Direct And Overlapping Debt	<u><u>\$1,255,650,390</u></u>		<u><u>\$ 28,619,483</u></u>

(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 and the office of the St. Louis 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**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Less Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Ratio Of Net Bonded Debt To Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
1993	8,405	\$ 142,999,610	\$ 2,040,000	\$ 57,587	\$ 1,717,413	1.20	204
1994	8,408	139,995,720	1,775,000	41,490	1,638,510	1.17	195
1995	8,416	147,651,490	1,680,000	49,210	1,550,790	1.05	1,894
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	0.94	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
<b>2002</b>	<b>8,592</b>	<b>263,774,027</b>	<b>15,730,000</b>	<b>112,793</b>	<b>15,617,207</b>	<b>5.92</b>	<b>1,818</b>

(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 EXPENITURES**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Governmental Expenditures (1)</u>	<u>Ratio Of Debt Service To General Governmental Expenditures</u>
1993	\$ 155,000	\$ 129,233	\$ 284,233	\$ 4,656,952	6.10
1994	95,000	55,040	150,040	4,769,073	3.15
1995	80,000	68,897	148,897	5,934,019	2.51
1996	85,000	67,442	152,442	6,054,140	2.52
1997	85,000	64,691	149,691	6,343,443	2.36
1998	95,000	61,700	156,700	6,292,569	2.49
1999	95,000	59,072	154,072	6,758,968	2.28
2000	100,000	54,280	154,280	12,144,567	1.27
2001	105,000	625,255	730,255	9,549,775	7.65
<b>2002</b>	<b>305,000</b>	<b>808,563</b>	<b>1,113,563</b>	<b>18,746,174</b>	<b>5.94</b>

(1) Includes all governmental fund types except Special Allocation Fund - West County Center capital outlay.

**CITY OF DES PERES, MISSOURI**  
**PRINCIPAL TAXPAYERS**  
**DECEMBER 31, 2002**

<u>Taxpayer</u>	<u>Type Of Business</u>	<u>2002 Assessed Value</u>	<u>Percentage Of Total Assessed Value (1)</u>	
EDJ Leasing Co. LP	Investment Company	\$ 8,587,370	3.38	%
May Department Stores	Retail Shopping	6,029,860	2.37	
Southwestern Bell	Telecommunications	5,883,680	2.32	
West County Center LLC	Retail Shopping	4,934,630	1.94	
Tenet Health	Health Care	4,715,110	1.86	
Duke Realty	Telecommunications	4,527,810	1.78	
Southwest Bank	Banking	3,204,060	1.26	
DL Ferguson	Retail Shopping	2,654,340	1.05	
Wal-Mart	Retail Shopping	2,256,390	0.89	
Des Peres LLC, etal	Retail Shopping	2,039,230	0.80	
		<u>\$44,832,480</u>	<u>17.65</u>	<u>%</u>

(1) Based on 2002 assessed valuation equal to \$263,774,027.

Source: Office of the St. Louis Assessor

**CITY OF DES PERES, MISSOURI**  
**BUILDING PERMITS AND CONSTRUCTION**  
**LAST TEN FISCAL YEARS**

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<u>Fiscal Year</u>	<u>Number Of Permits Issued</u>	<u>Value Of Construction</u>
1993	153	\$ 4,947,607
1994	111	7,050,925
1995	116	20,418,141
1996	107	2,090,435
1997	139	6,381,408
1998	257	30,121,416
1999	376	28,535,000
2000	364	47,763,466
2001	277	42,596,725
<b>2002</b>	<b>398</b>	<b>67,823,431</b>

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

**CITY OF DES PERES, MISSOURI**  
**SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS**  
**DECEMBER 31, 2002**

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<u>Name And Title Of Official</u>	<u>Annual Salary</u>	<u>Amount Of Surety Bond</u>
Douglas Harms, City Administrator	\$ 99,086	\$ 250,000
William Bridges, Director of Public Safety	80,314	250,000
Denis Knock, Director of Public Works	77,584	250,000
Susan Trautman, Director of Parks and Recreation	65,364	250,000
Andrew Reiter, CPA, Director of Finance	56,940	250,000

**CITY OF DES PERES, MISSOURI**  
**MISCELLANEOUS STATISTICAL DATA**  
**DECEMBER 31, 2002**

Date of incorporation as village	1934		
Date of incorporation as fourth-class city	1954		
Form of government		Mayor/Council/City Administrator	
Number of employees:			
Full-time			69
Part-time and seasonal			33
Area			4.25 square miles
Miles of streets			54
Miles of sidewalks			31
Number of streets			216
Number of street lights (provided by City)			142
Community centers:			
City Hall			1
Cremer Community Center			1
Parks and recreation:			
Acres of parks			72.3
Number of parks			4
Park facilities:			
Tennis courts			6
Miles of trails			2
Public Safety Department (Police/Fire/EMS):			
Number of stations			1
Number of officers			44
Average number of police calls per month			1239
Average number of fire calls per month			63
Average number of EMS calls per month			56
Average number of physical arrests			44
Economic and demographic:		<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 STATISTICAL DATA (Continued)**  
**DECEMBER 31, 2002**

<u>Major Employers Within The City Of Des Peres</u>	<u>Type Of Business</u>	<u>Number Of Employees</u>
Edward D. Jones and Company	Investment Company	745
Deaconess Hospital	Health Care	576
Southwestern Bell	Telecommunications	450
Cingular Wireless	Telecommunications	423
Famous Barr	Department Store	367
Nordstrom's	Department Store	328
Schnucks Markets	Grocery Store	213
Sam's Wholesale Club	Warehouse Store	212
JC Penney	Department Store	188
Lord & Taylor	Department Store	150

**School Enrollment**

<u>Fiscal Year</u>	<u>Total Enrollment Parkway</u>	<u>Total Enrollment Kirkwood</u>
1993	22,584	5,145
1994	22,606	5,202
1995	22,139	5,138
1996	21,341	5,178
1997	20,700	5,062
1998	20,700	5,061
1999	21,000	5,061
2000	20,547	4,984
2001	20,231	5,061
<b>2002</b>	<b>22,130</b>	<b>5,101</b>

**CITY OF DES PERES, MISSOURI  
INTERNAL CONTROL AND MANAGEMENT  
COMMENTS AND RECOMMENDATIONS**

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**5. COMMENT**

The City does not have an accounting procedures manual. A current accounting manual would help ensure that all similar transactions are treated consistently and that records are produced in the form desired by management. A good manual should aid in the training of new employees and allow for delegation to other employees of some accounting functions. Written procedures will help reduce misunderstandings, duplicated procedures and potential fraud possibilities.

**RECOMMENDATION**

We recommend accounting manuals be developed in order to communicate accounting procedures to other personnel and also to document approved procedures. It will take some time and effort for management to develop a manual; however, we believe this time will be more than offset by time saved later in training and supervising.