CITY OF ST. PETERS, MISSOURI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED SEPTEMBER 30, 2008

Report issued by the Office of Administration

Timothy M. Wilkinson
Assistant City Administrator

Beth A. French
Director of Finance

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February 23, 2009

To the Citizens of the City of St. Peters, Missouri:

The comprehensive annual financial report of the City of St. Peters, Missouri (City) for the fiscal year ended September 30, 2008, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

In addition, state statutes require an annual audit by independent certified public accountants. The accounting firm of Schowalter & Jabouri, P.C. was retained by the City. The independent auditors' report on the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component unit, and the aggregate remaining fund information is included in the financial section of this report.

City of St. Peters • P.O. Box 9 • One St. Peters Centre Blvd. • St. Peters, Missouri 63376 • 636.477.6600 • stpetersmo.net

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of St. Peters' MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of St. Peters, incorporated in 1910, is a fourth class city located in St. Charles County, Missouri. The City currently occupies a land area of 22.3 square miles and services a population of approximately 58,000. The City is traversed by Interstate 70, which provides direct access to St. Louis, approximately 20 miles east of the City, and to Kansas City, approximately 220 miles west of the City. Regularly scheduled air passenger and freight service is available at Lambert St. Louis International Airport located approximately 12 miles east of the City on Interstate 70. Commercial air service is available at two private airports within St. Charles County and at a public airport operated by St. Charles County. Barge service is available on the Mississippi River located approximately 5 miles from St. Peters. The City is served by two railroads; the Norfolk & Southern and the Burlington-Northern, and three common-carrier truck lines.

The legislative body of the City is the Board of Aldermen, which is comprised of eight aldermen and a mayor. Two aldermen are elected from each of the City's four wards and serve four-year terms. The Mayor, elected at large to serve a four-year term, is the presiding officer of the Board of Aldermen. The Mayor may vote in the event of a tie vote by the Board of Aldermen. Additionally, the Mayor has veto power. A city administrator is appointed by the Mayor with the advice and consent of the Board of Aldermen. The city administrator is the chief assistant to the Mayor and is responsible for the day-today management of the City's business and staff. The city administrator is also responsible for the employment and discharge of City employees under policies established by the Board of Aldermen. In addition, the City has an assistant city administrator who is appointed by the Mayor with the advice and consent of the Board of Aldermen.

The City has several advisory boards and committees composed of citizens appointed by the Mayor with the advice and consent of the Board of Aldermen. The advisory boards and committees include, among others, e-Government Advisory Committee; TIF Commissions; Personnel Review Board; the Parks, Recreation and Arts Advisory Board; Historical Commission; Golf Citizens Monitoring Committee; Outpatient Surgical Treatment Center Medical Review Board; Green Environmental & Solid Waste Issues Advisory Board; St. Peters Youth Council; The Veterans Memorial Commission; Senior Advisory Boards; and the Mayor's Beautification Committee. In

addition, the Mayor, with the advice and consent of the Board of Aldermen, appoints citizens to other boards and commissions which have responsibility for governmental functions relating to zoning and building codes. These boards and commissions are the Planning and Zoning Commission, the Board of Adjustment, and the Board of Appeals.

The City has approximately 515 full-time equivalent employees and provides a full range of services, including police protection; the construction and maintenance of roads, bridges and other infrastructure within the City; programs to assist low to moderate income residents; storm water control programs; and recreational activities and cultural events. In addition, the City provides water and sewer services, solid waste collection, and operates a solid waste transfer facility and recycling center.

Annually, the City's long-range Capital Improvement Plan for the General Fund, Local Parks and Storm Water Fund, Old Town Levee Special Allocation Fund, Transportation Trust Fund, Central Materials Processing Fund, Recreation Fund, Solid Waste Fund, and Water/Sewer Fund is re-evaluated and updated. The Mayor, Board of Aldermen, City Administrator and Assistant City Administrator work together to set the goals, which are based upon input from citizens, the Mayor and Board of Aldermen and City staff, for the City of St. Peters for the upcoming fiscal year. A Capital Improvement Plan is then approved and serves as the blueprint for the preparation of future budgets.

Incorporating the Capital Improvement Plan, the City Administrator prepares an annual budget for the General, Special Revenue, and Debt Service Funds for the fiscal year commencing the following October. In addition, budgets for the Central Materials Processing, Recreation Fund, Solid Waste, and Water Sewer Funds are prepared on a basis similar to that of the general governmental funds in order to better manage these funds. Expenditures may not legally exceed appropriation at the fund level.

After a proposed budget is prepared, it is submitted to the Board of aldermen for review. The Board of Aldermen may revise, alter, increase or decrease the items contained in the proposed budget, provided that total authorized expenditures from any fund do not exceed the estimated revenues to be received plus any unencumbered balance or less any deficit estimated for the beginning of the budget year. Following public hearings on the proposed budget, the annual operating budgets are approved though the adoption of the budget ordinance by the affirmative vote of a majority of the members of the Board of Aldermen and approval by the Mayor on or before September 1 of the preceding budget year. If the budgets have not been passed and approved on or before the last day preceding the budget year (September 30), the budgets and appropriations for the current fiscal year shall be deemed to be re-budgeted and re-appropriated for the budget year until a new budget is adopted and approved.

The City Administrator is authorized to transfer part, or all, of any unexpended balance among any departments within a given fund. If it is determined that the original budgeted revenues and expenditures need to be increased or decreased, the Board of Aldermen may, by ordinance, make such changes in budgeted revenues and expenditures so long as the total budgeted expenditures do not exceed the amount of budgeted revenues plus beginning unencumbered fund balance. If it appears probable that revenues available will be insufficient to meet the amount appropriated, the Board of Aldermen may, by ordinance, reduce one or more appropriations.

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's Board of Aldermen. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts do not lapse at year-end. All encumbrances are supported by either a purchase order or a contract.

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.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The City's diversified economy and commercial growth is attributable to its transportation network, central location in the United States, and expanding resources of labor and materials. Residential growth has been considerable as an outgrowth of expanded employment opportunities in the area. At the same time, the City continues to grow as a suburban community.

The City currently has approximately 2,559 business establishments. There are several major shopping corridors in St. Peters and the City serves as a shopping hub to surrounding communities located throughout St. Charles County. The City's retail service area encompasses an estimated 30-mile radius with a population of approximately 350,000 in the 10-mile radius immediately surrounding the City.

The largest shopping center in St. Peters, Westfield Shoppingtown Mid Rivers (the "Mall"), is also the largest shopping center in St. Charles County. The approximately 1,000,000 square feet Mall opened in 1987. The mall has four anchors including J.C. Penney, Sears, Macy's and Dillard's.

Due to these factors, over the past the City has been able to reduce the property tax rate from $1.85 per hundred dollars of valuation in 1970 to 77 cents per hundred dollars of valuation (53 cents in the General Fund and 24 cents in the Debt Service Fund) without cutting any City services. The assessed valuation for the City of St. Peters continues to increase and revenues received during the 2008 fiscal year were based upon $1,080,803,169 of assessed valuation.

The population of St. Peters is younger than the national average and of the state of Missouri. The median age of the population in 2000 was 34.2 years compared to 36.1 years for Missouri. Approximately 37% of St. Peters' residents are under the age of 25 years. Older adults, 65 years and above, comprise 7.8% of the population.

According to statistics from the United States Bureau of Census, in 2000, the City's civilian labor force was 28,956. The total number of people that were unemployed was 619, which was an unemployment rate of 2.1%. The City's unemployment rate compared favorably to St. Charles County which had an unemployment rate of 2.8%.

In addition, St. Peters' residents over the age of three enrolled in school totaled 15,841. The percentage of the City's adult population who graduated from high school was 91.4% and 27.2% of the population obtained a bachelor's degree or higher. This compares favorably to the State of Missouri which had a population graduated from high school of 81.3% and a population obtaining a bachelor's degree or higher of 21.6%.

Cash Management

Cash on hand during the year was invested in demand deposits, money market funds, certificates of deposit, and obligations of the U.S. Treasury. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Most City investments are in instruments that have a maturity of less than one year. This is necessary because surplus funds must be available for the next fiscal year should the Board of Aldermen decide to appropriate these monies. All City deposits and investments are either 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, U. S. government agencies, State of Missouri, and local governments in Missouri with populations greater than 400,000. The City's primary investment risk is "Reinvestment Risk". This is the risk that the City's short-term investments may be reinvested at lower yields upon maturity.

Risk Management

Since July 1998 the City has had self-insurance for its general liability, property and workmen's compensation claims. The self-insurance program is administered through a structured program involving a major broker and third party claims administrator.

Losses are limited through the purchase of umbrella insurance policies, which limit losses at the individual claim level and at an annual aggregate of all claims combined for a year. Prior to 1998 the City participated in a self-insurance pool with other Missouri municipalities.

OTHER INFORMATION

Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Peters for our Comprehensive Annual Financial Report for the fiscal year ended September 30, 2007. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The City of St. Peters has received this prestigious award since 1991. We believe this report continues to conform to the Certificate of Achievement Program requirements. Since the Certificate of Achievement is valid for a period of one year only, we will be submitting this report to the GFOA for their review.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department and all City employees who supplied information have my sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership, interest, and support of the Mayor, Board of Aldermen, City Administrator, and Assistant City Administrator preparation of this report would not have been possible. In addition, I commend the dedicated efforts of Rita Westerson, Accounting Manager, and the finance department personnel for their efforts in preparation of this report.

Respectfully submitted,

Beth A. French
Director of Finance

City of St. Peters, Missouri

Mayor
Len Pagano

Aldermen

Ward I
John "Rocky" Reitmeyer
Dave Thomas

Ward II
Jerry Hollingsworth
Judy Bateman

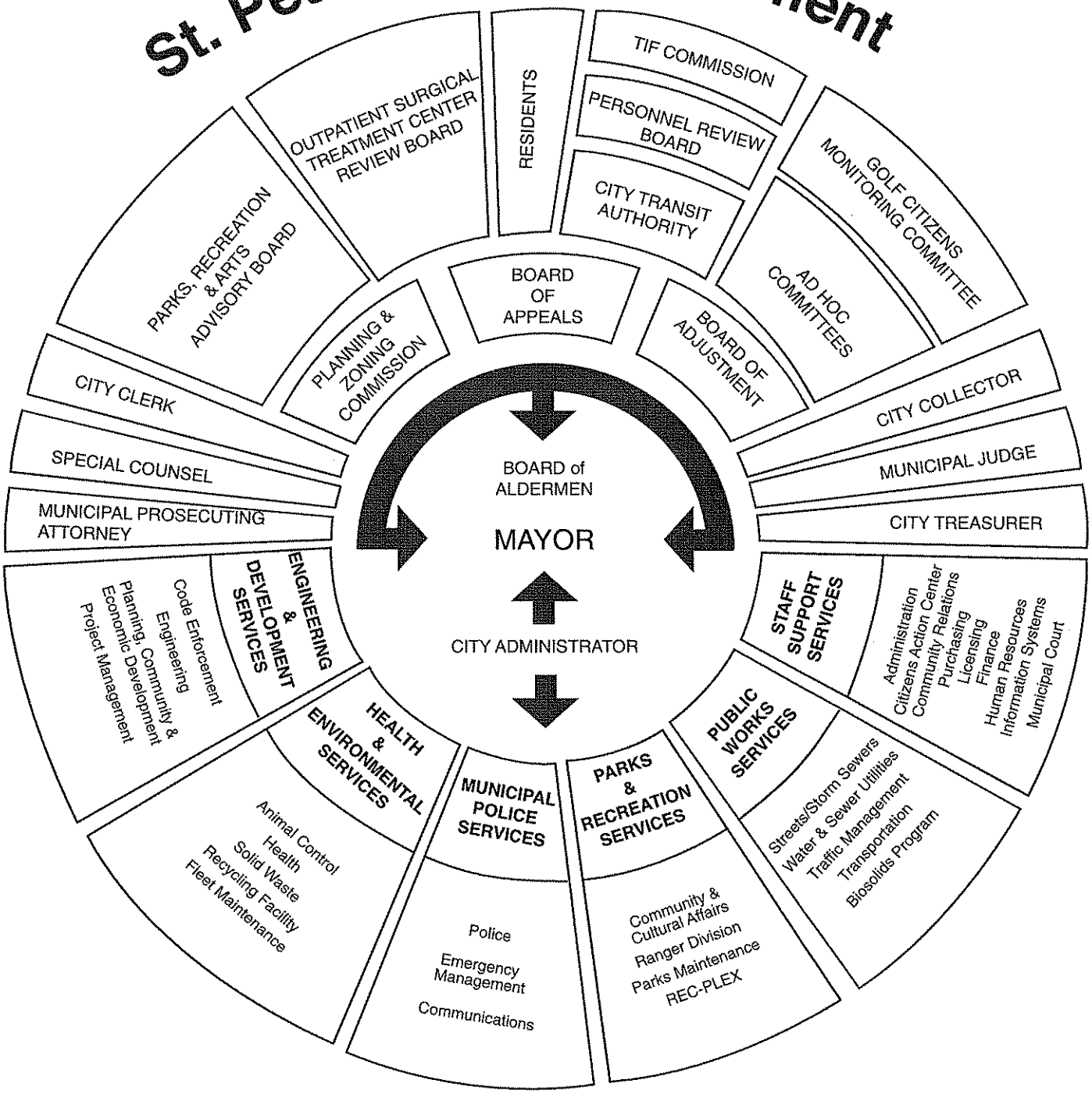
Ward III
Gus Elliott
Tommy Roberts

Ward IV
Patrick Barclay
Don Aytes

City Administrator
William P. Charnisky

Assistant City Administrator
Timothy M. Wilkinson

Organizational Structure
St. Peters City Government



REV (7/08)

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of St. Peters
Missouri

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2007

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

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City of St. Peters

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Independent Auditors' Report

The Honorable Mayor and
Members of the Board of Aldermen
City of St. Peters, Missouri

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of St. Peters, Missouri, as of and for the year ended September 30, 2008, which collectively comprise the City of St. Peters, Missouri's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of St. Peters, Missouri's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of St. Peters, Missouri, as of September 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated February 23, 2009 on our consideration of the City of St. Peters, Missouri's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 19 and the Budgetary Comparison Information on pages 70 through 74 and the Pension related required supplementary information on page 75, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Peters, Missouri's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules - other supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Schowalter & Jabouri, P.C.

SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
February 23, 2009

Management's Discussion and Analysis

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This section of the City of St. Peters's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2008. Please read this section in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities (net assets) at the end of the fiscal year by approximately $323.9 million. Net assets is comprised of: $260.8 million invested in capital assets, net of related debt; $24.6 million restricted for capital projects, debt service and other purposes; $21.2 million unrestricted and available for governmental purposes; and $17.3 million unrestricted and available for the City's business-type activities.

- The City's total net assets increased approximately $2.1 million over the course of this year's operations. Governmental activities decreased by $8.7 million, and business-type activities increased by approximately $10.8. The primary reason for this change is one time transfer from the General Fund to the Solid Waste Fund of $9.7 million to assist with future residential trash rebates funded by the $25 million dollar final payment the City received from the sale of land in the Lakeside 370 TIF district.

- The assessed valuation for real estate and personal property (excluding the City's Special Districts) increased by $82.3 million or 8% during fiscal year 2008. In the Special Districts, assessed valuation for real estate and personal property increased $4 million or 10%.

- The City reduced the property tax rate from 80 cents to 77 cents per $100 of assessed valuation.

- During the fiscal year, the City issued General Obligation Bonds totaling $23 million to fund two projects that were authorized by voters in November 2006. The voters authorized $5 million to build a new fleet maintenance/solid waste facility to house employees and equipment and make upgrades to the current public works building and $18 million to build a new Justice Center that will combine police headquarters and a new Municipal Court. In addition, the City issued $6,630,000 in Development Notes.

- In November 2006 the voters authorized bonds associated with $15 million of projects related to the water sewer operations of the City. These projects include increasing capacity to accommodate new growth, replacing some aging facilities, addressing changing regulations and odor control, and make other improvements at the water and wastewater plants. During the fiscal year the City issued $9,999,780 (net of unaccreted capital appreciation) Capital Appreciation Bonds.

- Program revenues decreased government-wide by $592,000. Capital grants and contributions decreased $2.2 million from the prior year from decreased dedications related to the public works function of the City and charges for services increased $1.9 million from court fines, increased customers of our business-type activities, and the opening of a new facility in the Recreation Fund.

- General revenue decreased $2.1 million due primarily from a prior year reimbursement to the Transportation Trust Fund from the City Centre TIF district for road projects in the area. The City did not have this reimbursement in the current fiscal year.

- During fiscal year 2008 we received the final payment of $25 million for land sales in the Lakeside 370 area that allowed the City to fund:
  - Future rebates for residential trash ($8,000,000)
  - Lakeside 370 Park development ($4,500,000)
  - Expansion of the Senior Center and other Recreation Fund uses ($1,300,000)
  - Post retirement benefits ($4,100,000)
  - Establish a reserve for developer notes ($1,000,000)
  - Major projects/repairs and maintenance to City Hall and the Justice Center ($2,100,000)
  - Increase general fund reserves ($4,000,000)

OVERVIEW OF THE FINANCIAL STATEMENTS

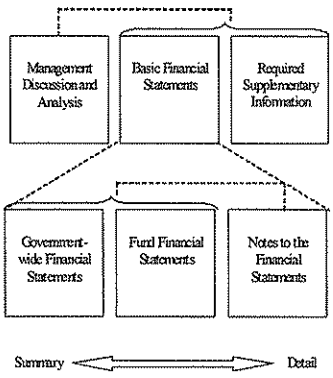
This annual report consists of four parts: management's discussion and analysis (this section); the basic financial statements; required supplementary information; and an optional section that presents schedules for non-major budgeted governmental funds, budget-based schedules for enterprise activities, and statistical information for the City. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

  - The governmental funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short-and long-term financial information about the activities the government operates like businesses, such as the water and sewer system.
  - Fiduciary fund statements offer short-and long-term financial information about the activities where the government is the trustee or agent for someone else's resources, such as the post retirement benefit plan for City employees.

Figure MDA-1
Required Components of the City of St. Peters's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure MDA-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining statements that provide details about our non-major governmental funds which are added together and presented in a single column in the basic financial statements.

Figure MDA-2 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and content of each of the statements.

Figure MDA-2
Major Features for the City of St. Peters Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary Funds) and the City's component units	The activities of the City that are not proprietary or fiduciary such as police and parks	Activities the City operates similar to private businesses: the waterworks and sanitary sewerage system, the solid waste activities, the City's transfer station and recycling facility (Central Materials Processing Facility), the City's Recreation Fund, and the Public Improvement Corporation	Instances in which the city is the trustee or agent for someone else's resources, such as the post retirement benefit plan for City employees
Required Financial Statements	Statement of net assets Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balances	Statement of net assets Statement of revenues, expenditures, and changes in net assets Statement of cash flows	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenue and expenses during year, regardless of when cash is received or paid	All revenue and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes *all* of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash was received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets—the difference between the City's assets and liabilities—is one way to measure the City's financial health, or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the health of the City you need to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into two categories:

- *Governmental activities*—Most of the City's basic services are included here, such as the police, public works, parks department, and general administration. Property taxes and sales taxes finance most of these activities.

- *Business-type activities*—The City charges fees to cover the costs of certain services it provides. The City's waterworks and sewerage system, solid waste collections, transfer station and recycling facility, recreation activities, and Public Improvement Corporation are included here.

Financial Analysis Of The City As A Whole

Net Assets

The following table reflects the condensed statements of net assets as of September 30:

Table MDA-3
City of St. Peters's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Current and other assets	$ 69,603,801	$ 75,986,778	$ 26,187,540	$ 35,541,818	$ 95,791,341	$ 111,528,596
Capital assets (net of depreciation)	266,085,049	253,247,910	76,627,321	84,770,537	342,712,370	338,018,447
Total assets	335,688,850	329,234,688	102,814,861	120,312,355	438,503,711	449,547,043
Long-term obligations	32,711,668	59,337,376	42,321,938	50,642,449	75,033,606	109,979,825
Other liabilities	34,830,105	10,410,961	6,920,326	5,305,368	41,750,431	15,716,329
Total liabilities	67,541,773	69,748,337	49,242,264	55,947,817	116,784,037	125,696,154
Net assets						
Invested in capital assets, net of related debt	239,665,381	220,878,960	29,209,873	39,970,976	268,875,254	260,849,936
Restricted	10,613,092	17,400,248	12,758,127	7,124,858	23,371,219	24,525,106
Unrestricted	17,868,604	21,207,143	11,604,597	17,268,704	29,473,201	38,475,847
Total Net Assets	$ 268,147,077	$ 259,486,351	$ 53,572,597	$ 64,364,538	$ 321,719,674	$ 323,850,889

As seen in Table MDA-3, the City's total assets of $449.5 million include $111.5 million in current and other assets and $338 million in capital assets.

Assets increased during the fiscal year by $11 million, the majority of which relates to cash on hand from unspent bond proceeds offset by a reduction in capital assets from disposals.

The City's total liabilities of $126 million include $110 million that is not due or payable in the next fiscal year and $16 in other liabilities. The increase in long-term obligations is the result of the previously discussed debt issuance including two General Obligation Bonds, Development Notes, and the Revenue Bonds offset by debt payments during the year.

Total net assets of approximately $323.9 million is comprised of $260.8 million invested in capital assets, net of related debt; $24.6 million restricted for capital projects, debt service and other purposes; $21.2 million unrestricted and available for governmental purposes and $17.3 million unrestricted and available for the City's business-type activities.

Changes in Net Assets

The City's combined net assets increased by approximately $2.1 million during fiscal year 2008 as a result of the activity shown in Table MDA-4.

Table MDA-4
City of St. Peters's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Revenues						
Program Revenues						
Charges for services	$ 4,366,728	$ 5,110,570	$ 21,954,348	$ 23,125,027	$ 26,321,076	$ 28,235,597
Operating Grants and Contributions	3,813,207	3,496,262	-	-	3,813,207	3,496,262
Capital Grants and Contributions	5,767,781	4,000,088	559,515	137,719	6,327,296	4,137,807
General Revenue						
Property Tax	11,450,752	11,941,110	-	-	11,450,752	11,941,110
Sales Tax	20,978,498	21,285,659	-	-	20,978,498	21,285,659
Other Taxes	3,364,976	3,415,948	-	-	3,364,976	3,415,948
Earnings on Investments	2,095,392	1,488,010	1,462,516	763,109	3,557,908	2,251,119
Gain on Sale of Capital Assets	66,490	-	58,019	355,034	124,509	355,034
Other	2,388,254	514,882	-	-	2,388,254	514,882
Total revenues	54,292,078	51,252,529	24,034,398	24,380,889	78,326,476	75,633,418
Expenses						
General government	4,101,069	10,605,639	-	-	4,101,069	10,605,639
Administration	4,440,371	4,439,076	-	-	4,440,371	4,439,076
Police	9,814,498	10,358,838	-	-	9,814,498	10,358,838
Municipal court	369,667	417,285	-	-	369,667	417,285
Public Works	17,293,048	10,321,657	-	-	17,293,048	10,321,657
Engineering	2,469,174	2,630,888	-	-	2,469,174	2,630,888
Maintenance	756,069	727,250	-	-	756,069	727,250
Health	581,024	709,702	-	-	581,024	709,702
Parks and recreation	5,517,854	5,279,526	-	-	5,517,854	5,279,526
Community relations	960,770	962,461	-	-	960,770	962,461
Community and arts	268,835	277,631	-	-	268,835	277,631
Interest on long-term debt	2,117,537	2,258,848	-	-	2,117,537	2,258,848
Waterworks/Sanitary Sewer	-	-	8,782,669	9,857,448	8,782,669	9,857,448
Solid Waste	-	-	4,043,387	4,182,408	4,043,387	4,182,408
Public Improvement Corporation	-	-	840,568	608,613	840,568	608,613
Central Materials Processing Facility	-	-	3,408,096	3,411,717	3,408,096	3,411,717
Recreation	-	-	6,122,627	6,453,216	6,122,627	6,453,216
Total expenses	48,689,916	48,988,801	23,197,347	24,513,402	71,887,263	73,502,203
Increase (decrease) in net assets before transfers	$ 5,602,162	$ 2,263,728	$ 837,051	$ (132,513)	$ 6,439,213	$ 2,131,215
Transfers	238,193	(10,924,454)	(238,193)	10,924,454	-	-
Increase (decrease) in net assets	$ 5,840,355	$ (8,660,726)	$ 598,858	$ 10,791,941	$ 6,439,213	$ 2,131,215
Beginning Net Assets	262,306,722	268,147,077	52,973,739	53,572,597	315,280,461	321,719,674
Ending Net Assets	268,147,077	259,486,351	53,572,597	64,364,538	321,719,674	323,850,889

For the fiscal year ended September 30, 2008, government-wide revenues totaled $75.6 million. Approximately one-third of all revenues are derived from charges from services and over one-forth from sales tax.

Figure MDA-5
City of St. Peters
Sources of Revenue for Fiscal Year 2008

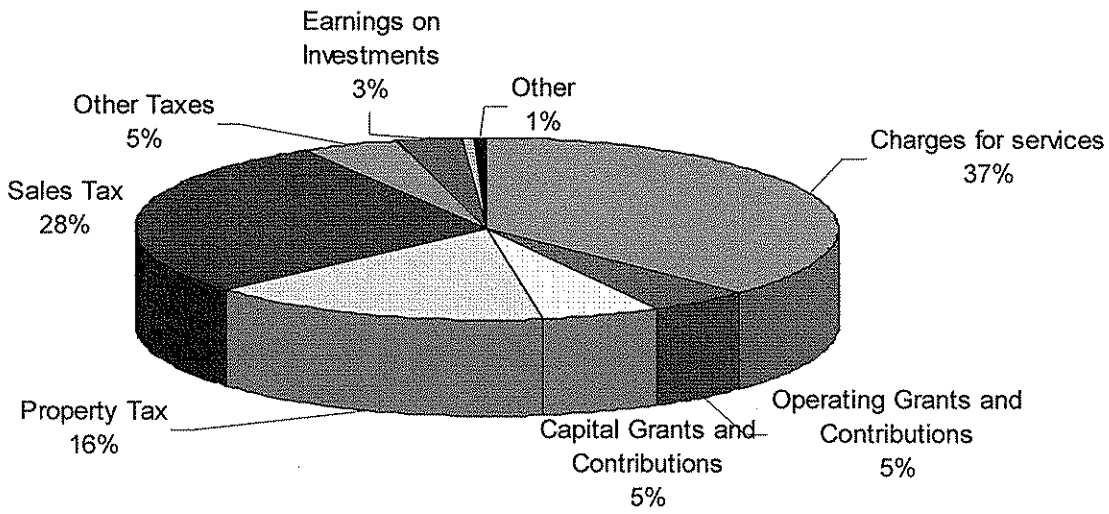
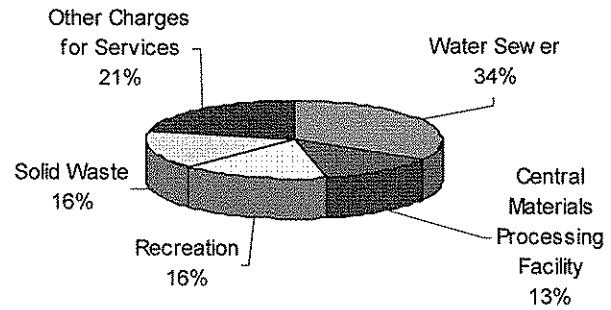


Figure MDA-6
City of St. Peters
Analysis of Charges for Services Revenue

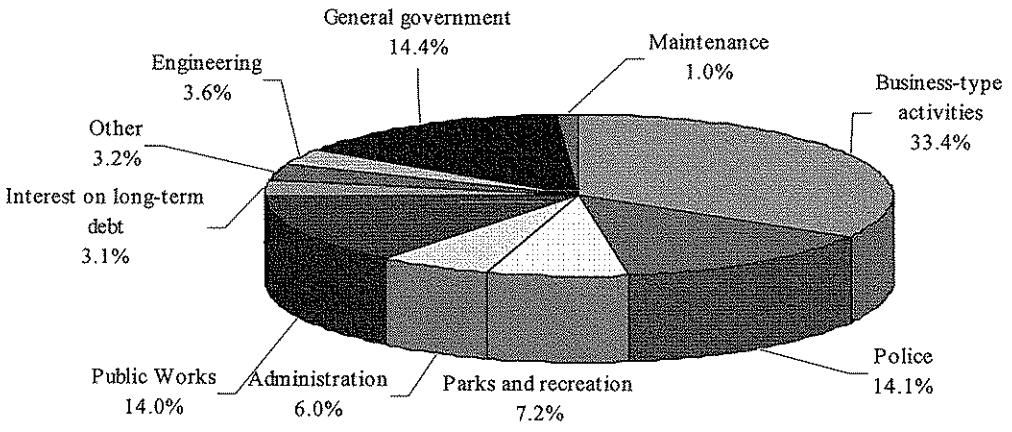


Charges for services are derived from users of the City's programs such as athletic programs at the REC-PLEX, the City's recreational complex, and fees for the users of the City's waterworks and sewerage system and other business–type activities. As seen in Figure MDA-6, the City's water and sewer operations account for over one-third of all charges for services, followed by other charges for services, Solid Waste, Recreation, and the Central Materials Processing Facility (CMPF).

The second largest revenue source for the entire city is sales tax, which during the 2008 fiscal year equaled $21.3 million. The City of St. Peters has a 1% sales tax to fund general governmental activities, a .5% sales tax that funds the City's transportation activity (road construction and maintenance) and a .1% sales tax for park and storm water activities. In addition, the City has three Tax Increment Financing Districts and sales tax received for these districts is restricted to funding activities within the respective area.

The total cost of all programs and services increased by 2.2% citywide to a total of $73.5 million during fiscal year 2008. The City's expenses cover a range of services including parks and recreation, law enforcement, administration and public works. Approximately 33% of all city expenses during the 2008 fiscal year is related to business-type activities.

Figure MDA-7
City of St. Peters
Functional Expense for Fiscal Year 2008



Governmental Activities

Revenues for the City's governmental activities total $51.3 million, of which approximately 42% is sales tax, 23% is property tax and 10% is charges from services. Expenses for the City's governmental activities total $49 million. These changes, along with transfers out discussed earlier, result in a decrease in net assets for the fiscal year of $8.7 million.

Figure MDA-8 presents the cost of each of the City's largest programs as well as the program's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

As stated earlier, the cost of all governmental activities this year was $49 million; however, the amount that our taxpayers paid for these services through City taxes was $36.4 million. The remaining cost was related to programs that charge those who directly benefit ($5.1 million) and from grants and contributions ($7.5 million). The City paid for the $36.4 million "public benefit" portion with taxes, interest income and other revenues.

Figure MDA-8
Net Cost of City of St. Peters's
Governmental Activities

	Total Cost of Services	Net Cost of Services
Administration	$ 4,439,076	$ 4,439,076
Engineering	2,630,888	2,630,888
General government	10,605,639	8,693,730
Interest on long-term debt	2,258,848	2,258,848
Other	3,094,329	2,809,784
Parks	5,279,526	5,030,416
Police	10,358,838	6,224,855
Public Works	10,321,657	4,294,284
	$ 48,988,801	$ 36,381,881

Charges for services related to governmental activities increased $744,000. This change is primarily due to a $794,000 increase in court fines and costs.

Sales tax remained consistent with the prior year and as mentioned earlier the assessed valuation for real estate and personal property (excluding the City's Special Districts) increased by $82.3 million or 8% during fiscal year 2008. In the Special Districts, assessed valuation for real estate and personal property increased $4 million or 10%. This increase in assessed value was offset by the decrease in the property tax rate assessed by the City resulting in increased property taxes of $490,000.

Governmental capital and operating grants and contributions decreased by $2.1 million relating primarily to the reduction in dedicated assets of $1.5 million with the remaining balance due to a reduction in the amount of grants received for various road projects during the year.

General governmental expense increased by $299,000 or 0.6% during fiscal year 2008, some of the significant changes by governmental function include:

- A $7.9 million increase in general governmental activities primarily relating to transfers from the City's Post Retirement Benefit Fund of $3.4 million and the City's General Fund of $4.1 million to establish a trust to account for this program in the future.
- In a prior year, the City accrued a liability in claims payable in the Government-wide financial statements in the amount of $1,375,000. As a result of the final outcome of the litigation, the City has changed their estimate and removed the liability from the Government-wide financial statements.
- A decrease in public works expense of $7.0 million. During fiscal year 2007 the City completed major public works projects that were not considered capital assets.
- A $544,000 (5%) increase in police expense due mainly from increased salaries and benefits for our police department.
- An increase in interest on long-term debt of $141,000.

Business-Type Activities

Revenues of the City's business-type activities increased 1.4% to $24.3 million; expenses and transfers out increased approximately 5.7% to $24.5 million; and transfers in during the current fiscal year compared to transfers out in the prior year increased $11.1 million, resulting in an increase in net assets for the fiscal year of $10.8 million. (Refer to Table MDA-4.) Factors contributed to these results included:

- Charges for services increased by 5.7%, which relates to a decrease in water and sewer user fees of $358,000 attributed to rate increases in water and sewer charges (2.5%) and growth in our customer base offset by decreased water demand from an extremely dry summer and fall in the prior fiscal year; and a $297,000 increase in our solid waste collection fees attributed to a $1 per month increase for residential collection in solid waste and growth in our customer base.
- The CMPF and Recreation Fund had changes in revenue of $303,500 and $952,500 respectively from changes in the number of users of their facilities and the opening of a new facility in the Recreation Fund.
- The water and sewer function's expense increased by $1.1 million or 12% due to an increase in personnel costs of $299,000 from salary increases and the addition of staff; $107,000 additional depreciation expense; $211,000 additional repair and maintenance expense; $258,000 additional bond interest and fees; and $130,000 change related to the disposal of assets.
- Expense from the solid waste function increased by only $139,000 or 3%, comprised of a decrease of $93,000 for salaries and fringe from the allocation of salaries to other funds; and increases of $83,000 for depreciation expense; $89,000 for increased cost of fuel for the collection vehicles; and $105,000 in overhead allocations.
- Expense for the Public Improvement Corporation decreased by $232,000 due to a $86,000 decline in deprecation expense; $63,000 in bond interest and fees and a prior year loss on the sale of assets of $82,000.
- Expense for the CMPF increased during fiscal year 2008 by $3,600. The significant changes include decreases in salary and related fringe benefits of $123,300 for vacancies; increased costs of landfill fees of $107,000 from increased use of the facility; increased repairs of $44,000 for repairs to the bailer; decreases in office expense, professional services and insurance of $58,100 for additional services needed in the prior year such as grinding yard waste for storm events and additional supplies for the recycling program that were not needed in the current year; and an increase in miscellaneous expense of $24,800.
- Expense for the Recreation Fund increased by $331,000 due to increases in deprecation expense of $301,100; utilities of $253,600 office expense and insurance of $172,000 all primarily related to the opening of the new facility discussed earlier and bond interest and fees increased by $334,000. These increases are offset by a prior year loss on the sale of capital assets of $795,000.

FUND FINANCIAL STATEMENTS

Another major section of the basic financial statements is the fund financial statements. These statements provide more detailed information about the City's most significant *funds*—not the City as a whole. A fund is a grouping of related accounts used to track specific sources of funding and spending for particular purposes.

The City of St. Peters has three kinds of funds:

- Governmental funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements are prepared on a modified accrual basis, which means they measure only current financial resources, uses and balances of spendable resources available at the end of the fiscal year. Therefore, capital assets and other long-lived assets, along with long-term liabilities, are not presented in the governmental fund statements. Because the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. The City of St. Peters has only one type of proprietary fund, the enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements: the City's waterworks and sewerage system, solid waste activities, transfer station and recycling facility (CMPF), and recreation fund. Proprietary fund statements are prepared on a full-accrual method and include all their assets and liabilities, current and long-term. This is the same basis used in the government–wide statements.

- Fiduciary funds – The City is a trustee, or fiduciary, for its employees' post retirement benefit program. It is also responsible for ensuring that the assets reported in this fund are used for their intended purposes. The City's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance our activities.

Financial Analysis Of The City's Funds

As discussed earlier, there are two types of statements included in the basic financial statements. This discussion relates to the fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. These statements are prepared on a modified accrual basis for the governmental funds and (as in the government-wide statements) on a full accrual method for the business-type activities or proprietary funds. A reconciliation from the fund statements to the government-wide statements is provided to display the differences in the two reporting methods.

The City of St. Peters has thirteen individual governmental funds. Information is presented separately in the governmental fund statements for the general fund, the transportation trust fund, the debt service fund, the special allocation fund – City Centre, and the capital projects fund all of which are considered major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplementary information section of this report. The City of St. Peters adopts an annual budget for each of the major funds and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

The City's governmental funds reported a combined fund balance of $69,519,667, an increase of $29,584,754 from the prior fiscal year. Unreserved fund balance constitutes $46,165,763 and the remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for the following:

- liquidation of contracts and purchase orders of the prior period ($8,671,739),
- capital improvements ($7,080,000),
- debt service ($5,349,325)
- storm water management ($163,783),
- inventory and prepaids ($803,021),
- long-term loans ($806,132),
- park and other improvements ($479,904)

The primary reasons for changes in fund balance include those highlighted in the financial highlights section of this document. In addition, these other changes in fund balance should be noted:

The General Fund serves as the chief operating fund of the City of St. Peters. It is used to account for all financial resources except those that are required to be accounted for in another fund. The activities of the general fund include law enforcement, administration and governmental, parks, and engineering. During fiscal year 2008, the General Fund's fund balance increased by $4,151,929. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 36% of the total general fund expenditures, while total fund balance represents 48.3% of that same amount.

Key factors for the increase in fund balance include events discussed previously and the following:

- Proceeds from the final payment of $25,000,000 for the sale of land in the Lakeside 370 district.
- Transfers out of $16 million to fund:
    - Future rebates for residential trash ($9,654,954)
    - Funding for the Lakeside 370 Park ($4,500,000)
    - Funding for the Senior Center Expansion and Other Recreation Fund Uses ($1,400,000)
    - Transfer to the Post Retirement Benefits Fund ($317,000)
    - Transfer to Capital Project Fund ($204,373)
- Governmental expenditures of $4,100,000 to the City's new trust for post retirement benefits.
- Continued efforts to limit operating costs to the amount received in operating resources, not utilizing one-time windfalls to cover everyday expenditures.

- Continued growth new construction for both the residential and commercial areas. During the fiscal year, 217 residential and 24 commercial building permits were issued with estimated construction values of $24,780,106 and $38,550,900, respectively. The resulting increase in property tax revenue allowed us to continue providing the high quality of service that our residents enjoy.

The other major funds of the City are the Transportation Trust Fund the Debt Service Fund, the Special Allocation Fund – City Centre, and the Capital Projects Fund. The fund balance in the Transportation Trust Fund decreased by $695,500 to $10.4 million. Of this amount, $1.2 million is unreserved, $7.7 million is reserved for the liquidation of contracts and purchase orders of the prior period; $1.5 million is reserved for debt service, and $3,300 is reserved for inventory and prepaid expenses. The decrease in fund balance is attributed to expenditures for maintenance of our existing infrastructure and new infrastructure construction of $9.3 million offset by resources of $8.6 million. Revenues and expenditures are forecasted for road projects on a long-term basis in the City's Capital Improvement Plan to ensure adequate funding and fund balance are available.

The fund balance in the Special Allocation Fund – City Centre increased by $1.6 million to $6.1 million. These funds are used to account for revenues generated in the City Center Tax Increment Financing (TIF) district and is used for the payment of debt service and other TIF related expenditures.

Fund balance in the Debt Service Fund increased by $1.1 million resulting in a total of $3.5 million, all of which is available for debt service in future years. During the year, the City had $3.7 million of expenditures in this fund.

The Capital Projects Fund had a $20.6 million increase in fund balance. This increase is due to two projects that were authorized by voters in November 2006. The voters authorized $5 million to build a new fleet maintenance/solid waste facility to house employees and equipment and make upgrades to the current public works building and $18 million to build a new Justice Center that will combine police headquarters and a new Municipal Court. The City issued General Obligation Bonds in 2007 and 2008 for $7 million and $16 million, respectively. In addition, the City issued $6,630,000 of developer notes during the year. Additional information can be found in the Notes to the Basic Financial Statements.

The other eight non-major governmental funds had a $2.9 million increase in fund balance to a total of $11.9 million. Of this, $5.8 million is unreserved and $6.1 million is reserved for various things such as the liquidation of contracts and purchase orders of the prior period, capital improvements, inventory and prepaids and long-term receivables. The increase can be attributed to a $4.5 million transfer from the General Fund to the Local Parks and Storm Water Fund discussed previously to fund improvements to the Lakeside 370 Park offset by the transfer of assets from the Post Employment Benefits Fund to a trust fund eliminating $2.9 million in fund balance. In addition we had increases of $271,744, $696,529, and $342,132 from unused revenue from the Sewer Lateral Repair Program Fund, Special Allocation Fund – Old Town, and Local Parks and Storm Water Fund respectively; decreased fund balance of $84,457 in the Drug Enforcement Agency Fund from the purchase of computer equipment for the City's Police Department.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the fiscal year, the City of St. Peters' elected officials revised the budget several times. These revisions generally are amendments and supplemental appropriations approved during the long-term Capital Improvement Plan process, adjustments to reflect the actual beginning account balances from the prior year's actual results, incorporate adjustments for carried-over items from the previous budget year, reflect any changes in estimates used when the original budget was adopted, or reflect changes for unanticipated events that may arise throughout the fiscal year. The significant variations between the original and final budget include:

- Increased debt service for the Certificate of Participation bonds by $110,000 to actual
- Decreased intergovernmental revenue by $222,000 due to timing of projects
- Modified transfers to other funds by reducing the transfer to Local Parks and Storm Water Fund by $500,000 and increase the transfer to the Recreation Fund by $600,000.
- In addition, during the year the following general fund expenditures were adjusted:
  - Decreased capital expense by $215,000 to move project funding from fiscal year 2008 to fiscal year 2009

Overall the City ended the fiscal year $3.1 million better than budget. Significant variations between final budget and actual amounts include additional revenue of $1.5 million due to a combination of sales tax not meeting anticipated budget of $183,200 offset by $252,700 better than expected revenues in utility franchise tax due to cold weather; $361,000 for license and permit revenue from some significant permits; $152,000 for interest revenue; $187,000 for intergovernmental revenue from federal and local grants; $454,000 in fines and forfeitures; and $168,000 additional from the sale of police reports and other police related activities and for income from our art programs. In addition, expenses were better than budgeted by $2.4 million. The majority of this savings relates to salaries and fringe benefits of $1.2 million from vacant positions, market increases less than anticipated, and a continued Citywide emphasis on controlling costs. In addition, the City experienced savings of $197,000 in employee expenses such as travel and training; $185,000 for professional services including legal and engineering; $217,000 in repair and maintenance; $659,000 in capital items. The City also had other uses and transfers to reserves of $616,000 more than budgeted including reserve transfers for projects expected to be complete in fiscal year 2009.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2008, the City had invested $338 million (net of accumulated depreciation) in a broad range of capital assets including land, structures and improvements, machinery and equipment, water and sewer lines, vehicles, and infrastructure. The decrease in the City of St. Peters' investment in capital assets that relate to activity in fiscal year 2008 was $4.7 million

- $50.0 million in new assets
- $12.9 million in depreciation
- $26.8 million in retirements (net of accumulated depreciation)
- $15 million reduction in construction in progress

This year's major capital assets for governmental activities include:

- During the fiscal year the City completed the sale of land in the St. Peters Lakeside 370 area. We received the first payment of $24.6 million during fiscal year 2006 and received the final payment of $25 million this year. We placed in service and then retired the assets associated with this second phase of the sale. Of the $50 million placed in service for fiscal year 2008 approximately half is associated with this agreement along with the majority of the assets retired for the year.
- Other governmental assets placed in service include $7 million of road projects. Significant projects include improvements to Church Street and West Sunny Hills Blvd; major repairs to our existing infrastructure accounts for $2.7 million; and the City accepted over $1.3 million in dedicated streets, sidewalks, storm sewers and right-of-way from developers and subdivisions
- Construction in progress decreased by $15.6 million. We placed in service $26.4 million of projects and added an additional $10.8 million for new projects that are in various phases of completion. Significant projects included the construction of the Justice Center; road construction related to the development notes for infrastructure in the Lakeside 370 area; Kimberly Road; and Salt River Road.

This year's major capital assets for business-type activities include:

- In the Water and Sewer Fund we placed a $3.2 million 1.5 million gallon water storage tank and pump station and a $2.4 million 2.0 million gallon water storage tank into service and had $1.5 million of sewer plant upgrades.
- The major project for the Public Improvement Corporation was a storm water creek bank stabilization project for the Calwood drainage basin in the amount of $1.1 million.
- And in the Recreation Fund $1.5 million in building improvements were done to the Rec-Plex and Rec-Plex South facilities.

Outstanding encumbrances for capital assets at the end of the fiscal year were $28 million. This amount has been accounted for in the City's budget-based statements and the City has no plans to issue additional debt to finance these projects. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Long-Term Debt

At September 30, 2008, the City had a number of debt issues outstanding. These issues included $44,305,000 of general obligation (G.O.) bonds; $8,936,000 of Tax Increment Financing (TIF) notes; $44,700 in Limited General Obligation bonds; and $24,305,000 in Certificate of Participation bonds $6,630,000 of Developer notes; $25,219,820 of Water/Sewer Revenue bonds, and $7,455,000 of PIC leasehold revenue bonds. During 2007 the City was upgraded to a Aa3 rating from Moody's Investor Service on general obligation issues.

Figure MDA-9
City of St. Peters's Outstanding Debt
September 30, 2008

	2007	2008
Governmental Activities		
General Obligation (G.O.) Bonds	$ 23,625,000	$ 44,305,000
Tax Increment Financing (TIF) Notes	8,936,000	8,936,000
Limited General Obligation (G.O.) Bonds	48,700	44,700
Certificate of Participation	3,275,000	2,955,000
Development Notes	-	6,630,000
TOTAL	$ 35,884,700	$ 62,870,700
Business-type Activities		
Water/Sewer Revenue Bonds (Net of Unaccreted Capital Appreciation)	$ 15,655,905	$ 25,219,820
PIC Leasehold Revenue Bonds	7,990,000	7,455,000
Certificate of Participation	21,350,000	21,350,000
TOTAL	$ 44,995,905	$ 54,024,820
Total		
General Obligation (G.O.) Bonds	$ 23,625,000	$ 44,305,000
Tax Increment Financing (TIF) Notes	8,936,000	8,936,000
Limited General Obligation (G.O.) Bonds	48,700	44,700
Certificate of Participation	24,625,000	24,305,000
Development Notes	-	6,630,000
Water/Sewer Revenue Bonds (Net of Unaccreted Capital Appreciation)	15,655,905	25,219,820
PIC Leasehold Revenue Bonds	7,990,000	7,455,000
TOTAL	$ 80,880,605	$ 116,895,520

As discussed previously the City issued two series of General Obligation bonds totaling $23,000,000; 6,630,000 of development notes and $9,999,780 (net of unaccreted capital appreciation) Water Sewer Revenue bonds.

Under the statutes of the State of Missouri, the City's general obligation bonded debt is limited to no more than 10% of the most recent assessed valuation of the City. At September 30, 2008, the City was well within this limit with a legal debt margin of $67,189,180. This does not include an additional debt limit of 10% of assessed valuation available for street or sewer improvements. This additional debt margin amounted to $108,080,317 at September 30, 2008. Additional information about the City's long-term debt is presented in Note 6 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As with most municipalities, the City's primary revenues are derived from taxes. During fiscal year 2008 we did not experience the growth in sales tax revenue as we expected. Due to the economy, the prior year lack of growth, and the impact of internet shopping we anticipate receiving approximately the same amount in sales tax revenue that we did in fiscal year 2008.

Fiscal year 2008/09 is not a property reassessment year and the City's preliminary assessed valuation increased 2% to $1,103,032,931. Therefore, we retained the current property tax rate of 77 cents per $100 of assessed valuation.

We have increased fees in our Water and Sewer Fund (2.5% increase on water and sewer fees) and even with these increases; the City continues to be a low-cost provider of excellent services for our residents.

We are continuing to look for new revenue sources and are aggressively pursuing new economic development. We have seen continued growth in both the residential and commercial areas. These increases in revenue will assist us in continuing to provide the high quality of service that our residents enjoy.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City of St. Peters Finance Department, P.O. Box 9, St. Peters, MO 63376.

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Basic Financial Statements

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CITY OF ST. PETERS, MISSOURI

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Natatorium Foundation
Assets:				
Cash and cash equivalents	$ 65,706,914	$ 30,060,294	$ 95,767,208	$ 2,046,661
Investments	-	182,400	182,400	-
Receivables (net):				
Taxes	2,544,127	-	2,544,127	-
Services	-	2,289,911	2,289,911	-
Intergovernmental	1,952,965	-	1,952,965	-
Interest	112,345	112,184	224,529	7,399
Other	424,944	655,067	1,080,011	-
Internal balances	460,212	(450,600)	9,612	-
Inventory and prepaid items	803,021	73,927	876,948	-
Bond issue costs	214,251	432,762	647,013	-
Investment in joint venture	-	2,185,873	2,185,873	-
Restricted cash and cash equivalents	2,961,867	-	2,961,867	-
Long-term receivables	806,132	-	806,132	-
Capital assets:				
Nondepreciable	149,572,642	8,316,530	157,889,172	-
Depreciable	103,675,268	76,454,007	180,129,275	-
Total Assets	329,234,688	120,312,355	449,547,043	2,054,060
Liabilities				
Accounts payable	2,480,575	1,152,765	3,633,340	-
Accrued interest	480,224	497,021	977,245	-
Accrued payroll	1,056,047	192,395	1,248,442	-
Unearned revenue	584,703	232,449	817,152	-
Deposits	797,671	272,809	1,070,480	-
Claims payable	1,045,077	-	1,045,077	-
Other liabilities	-	25,947	25,947	-
Long-term liabilities:				
Due within one year	3,966,664	2,931,982	6,898,646	-
Due in more than one year	59,337,376	50,642,449	109,979,825	-
Total Liabilities	69,748,337	55,947,817	125,696,154	-
Net Assets				
Invested in capital assets, net of related debt	220,878,960	39,970,976	260,849,936	-
Restricted for:				
Capital projects	8,502,836	-	8,502,836	-
Debt service	8,897,412	7,124,858	16,022,270	-
Unrestricted	21,207,143	17,268,704	38,475,847	2,054,060
Total Net Assets	$ 259,486,351	$ 64,364,538	$323,850,889	$ 2,054,060

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit: Natatorium Foundation
Governmental Activities:								
General government	$ 10,605,639	$ 1,709,498	$ 200,313	$ 2,098	$ (8,693,730)	$ -	$ (8,693,730)	$ -
Administration	4,439,076	-	-	-	(4,439,076)	-	(4,439,076)	-
Police	10,358,838	2,562,532	1,469,961	101,490	(6,224,855)	-	(6,224,855)	-
Municipal court	417,285	-	-	-	(417,285)	-	(417,285)	-
Public works	10,321,657	540,181	1,607,828	3,879,364	(4,294,284)	-	(4,294,284)	-
Engineering	2,630,888	-	-	-	(2,630,888)	-	(2,630,888)	-
Maintenance	727,250	-	-	-	(727,250)	-	(727,250)	-
Health	709,702	22,425	-	-	(687,277)	-	(687,277)	-
Parks and recreation	5,279,526	25,851	206,123	17,136	(5,030,416)	-	(5,030,416)	-
Community relations	962,461	72,887	-	-	(889,574)	-	(889,574)	-
Community and arts	277,631	177,196	12,037	-	(88,398)	-	(88,398)	-
Interest on long-term debt	2,258,848	-	-	-	(2,258,848)	-	(2,258,848)	-
	48,988,801	5,110,570	3,496,262	4,000,088	(36,381,881)	-	(36,381,881)	-
Business-Type Activities:								
Waterworks/Sanitary Sewer	9,857,448	9,370,782	-	137,719	-	(348,947)	(348,947)	-
Solid waste	4,182,408	4,622,677	-	-	-	440,269	440,269	-
Public Improvement Corporation	608,613	819,785	-	-	-	211,172	211,172	-
Central Materials Processing Facility	3,411,717	3,703,035	-	-	-	291,318	291,318	
Recreation	6,453,216	4,608,748	-	-	-	(1,844,468)	(1,844,468)	-
	24,513,402	23,125,027	-	137,719	-	(1,250,656)	(1,250,656)	-
Total Government	$ 73,502,203	$ 28,235,597	$ 3,496,262	$ 4,137,807	(36,381,881)	(1,250,656)	(37,632,537)	-
Component Unit								
Natatorium Foundation	$ 682,915	$ -	$ -	$ -				(682,915)
General Revenues:								
Property taxes levied for:								
General purposes					6,152,614	-	6,152,614	-
Debt Service					2,633,533	-	2,633,533	-
Tax increment financing districts					3,154,963	-	3,154,963	-
Sales tax levied for:								
General purposes					11,566,809	-	11,566,809	-
Transportation purposes					5,783,416	-	5,783,416	-
Park and stormwater purposes					1,142,294	-	1,142,294	-
Tax increment financing districts					2,793,140	-	2,793,140	-
Franchise and public service taxes					3,415,948	-	3,415,948	-
Earnings on investments					1,488,010	763,109	2,251,119	140,822
Other revenues					514,882	-	514,882	-
Gain on disposition of capital assets					-	355,034	355,034	-
Transfers					(10,924,454)	10,924,454	-	-
Total General Revenues					27,721,155	12,042,597	39,763,752	140,822
Change in net assets					(8,660,726)	10,791,941	2,131,215	(542,093)
Net Assets - Beginning of Year					268,147,077	53,572,597	321,719,674	2,596,153
Net Assets - End of Year					$ 259,486,351	$ 64,364,538	$ 323,850,889	$ 2,054,060

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2008

	Major Funds					Nonmajor Funds	
	General	Transportation Trust	Special Allocation-City Centre	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:							
Cash and cash equivalents:							
Unrestricted	$ 15,275,619	$ 8,716,065	$ 6,090,708	$ 3,484,786	$ 21,353,527	$ 10,786,209	$ 65,706,914
Restricted	1,461,792	1,500,000	75	-	-	-	2,961,867
Receivables, net of allowances where applicable:							
Taxes	1,831,169	460,137	34,677	102,225	-	115,919	2,544,127
Intergovernmental	112,649	1,774,374	-	-	-	65,942	1,952,965
Interest	31,380	31,380	17,422	10,453	12,055	9,655	112,345
Other	158,945	8,243	41	-	-	257,715	424,944
Due from other funds	527,780	-	-	-	-	16,410	544,190
Long term receivables	-	-	-	-	-	806,132	806,132
Inventory and prepaid items	799,721	3,300	-	-	-	-	803,021
Total Assets	$ 20,199,055	$ 12,493,499	$ 6,142,923	$ 3,597,464	$ 21,365,582	$ 12,057,982	$ 75,856,505
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable	$ 452,219	$ 1,566,993	$ -	$ 2,278	$ 442,577	$ 16,508	$ 2,480,575
Accrued liabilities	997,444	10,684	-	47,099	-	820	1,056,047
Deposits/guarantee bonds	714,607	39,332	-	-	7,552	36,180	797,671
Due to other funds	-	884	-	-	-	83,094	83,978
Deferred revenue	232,170	509,636	-	89,524	-	42,160	873,490
Claims payable	1,045,077	-	-	-	-	-	1,045,077
Total Liabilities	3,441,517	2,127,529	-	138,901	450,129	178,762	6,336,838
Fund Balances:							
Reserved for:							
Encumbrances	733,673	7,656,911	-	-	-	281,155	8,671,739
Capital improvements	2,100,000	-	-	-	-	4,980,000	7,080,000
Debt service	-	1,500,000	3,849,325	-	-	-	5,349,325
Stormwater management	163,783	-	-	-	-	-	163,783
Inventory and prepaids	799,721	3,300	-	-	-	-	803,021
Long term receivables	-	-	-	-	-	806,132	806,132
Parks and other improvements	479,904	-	-	-	-	-	479,904
Unreserved, reported in:							
General fund	12,480,457	-	-	-	-	-	12,480,457
Special revenue funds	-	1,205,759	2,293,598	-	-	5,811,933	9,311,290
Debt service funds	-	-	-	3,458,563	-	-	3,458,563
Capital projects funds	-	-	-	-	20,915,453	-	20,915,453
Total Fund Balances	16,757,538	10,365,970	6,142,923	3,458,563	20,915,453	11,879,220	69,519,667
Total Liabilities and Fund Balances	$ 20,199,055	$ 12,493,499	$ 6,142,923	$ 3,597,464	$ 21,365,582	$ 12,057,982	$ 75,856,505

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS SEPTEMBER 30, 2008

Amounts reported for governmental activities in the statement of net assets are different because:	
Total Fund Balance - Governmental Funds	$ 69,519,667
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is $376,297,587 and the accumulated depreciation is $123,049,677	253,247,910
Property taxes assessed by the City, but not collected within 60 days of year end, are deferred within the fund financial statements. However, revenue for this amount, net of a reserve for uncollectible accounts, is recognized in the government-wide statements.	288,787
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as liabilities within the fund financial statements. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported on the government-wide statement of net assets. Discounts, premiums and bond issuance costs are reported in the governmental fund financial statements when the debt was issued whereas these amounts are deferred and amortized over the life of the debt as an adjustment to interest expense on the government-wide financial statements.	
Balances as of September 30, 2008 are:	
Accrued compensated absences, vacation	(1,101,664)
Accrued interest on outstanding debt as of September 30, 2008	(480,224)
Bonds and notes payable	(62,870,700)
Unamortized bond discount and deferred amount on refunding	874,405
Unamortized bond premium	(206,081)
Unamortized bond issue costs	214,251
Total Net Assets - Governmental Activities	$ 259,486,351

See accompanying notes to the basic financial statements

CITY OF ST. PETERS, MISSOURI

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Major Funds					Nonmajor Funds	
	General	Transportation Trust	Special Allocation-City Centre	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:							
Sales tax	$ 11,566,809	$ 5,783,416	$ 2,481,415	$ -	$ -	$ 1,454,019	$ 21,285,659
Property tax	6,043,708	-	2,619,053	2,584,604	-	535,910	11,783,275
Utility franchise tax	3,412,725	-	3,223	-	-	-	3,415,948
Cigarette tax	254,592	-	-	-	-	-	254,592
Licenses and permits	1,526,797	-	-	-	-	-	1,526,797
Interest	452,225	290,558	172,746	109,704	208,385	254,392	1,488,010
Intergovernmental	3,388,527	2,522,462	-	-	-	244,160	6,155,149
Fines and forfeitures	2,298,424	-	-	-	-	-	2,298,424
Charges for services	633,402	-	-	-	-	543,267	1,176,669
Miscellaneous	282,461	17,605	-	34,345	15,487	101,222	451,120
Total Revenues	29,859,670	8,614,041	5,276,437	2,728,653	223,872	3,132,970	49,835,643
Expenditures:							
Current:							
General government	6,383,877	-	964,935	-	-	3,807,600	11,156,412
Administration	4,026,933	-	-	-	-	-	4,026,933
Police	9,924,110	-	-	-	-	-	9,924,110
Municipal court	413,865	-	-	-	-	-	413,865
Public works	2,889,285	4,270,081	-	-	-	914,786	8,074,152
Engineering	2,599,668	-	-	-	-	-	2,599,668
Maintenance	710,878	-	-	-	-	-	710,878
Health	681,640	-	-	-	-	-	681,640
Parks and recreation	4,413,999	-	-	-	-	163,818	4,577,817
Community relations	889,931	-	-	-	-	-	889,931
Community and arts	198,067	-	-	-	-	-	198,067
Capital outlay	1,097,073	5,027,977	-	-	9,233,137	297,917	15,656,104
Debt Service:							
Principal retirement	320,000	-	-	2,320,000	-	4,000	2,644,000
Interest and fiscal charges	120,620	-	708,433	1,335,194	-	2,535	2,166,782
Other	-	-	-	59,837	-	-	59,837
Total Expenditures	34,669,946	9,298,058	1,673,368	3,715,031	9,233,137	5,190,656	63,780,196
Revenues Over (Under) Expenditures	(4,810,276)	(684,017)	3,603,069	(986,378)	(9,009,265)	(2,057,686)	(13,944,553)
Other Financing Sources (Uses):							
Transfers in	25,000	-	-	2,048,704	204,373	4,934,000	7,212,077
Transfers out	(16,076,327)	(11,500)	(2,048,704)	-	-	-	(18,136,531)
Proceeds from sale of capital assets	25,013,532	-	-	-	-	-	25,013,532
Issuance of debt	-	-	-	-	29,630,000	-	29,630,000
Discount on sale of bonds	-	-	-	-	(189,771)	-	(189,771)
Total Other Financing Sources (Uses)	8,962,205	(11,500)	(2,048,704)	2,048,704	29,644,602	4,934,000	43,529,307
Net Changes in Fund Balances	4,151,929	(695,517)	1,554,365	1,062,326	20,635,337	2,876,314	29,584,754
Fund Balances:							
Beginning of Year,	12,605,609	11,061,487	4,588,558	2,396,237	280,116	9,002,906	39,934,913
End of Year	$ 16,757,538	$ 10,365,970	$ 6,142,923	$ 3,458,563	$ 20,915,453	$ 11,879,220	$ 69,519,667

See accompanying notes to the basic financial statements

CITY OF ST. PETERS, MISSOURI

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2008

Net change in fund balances - total governmental funds		$ 29,584,754
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than $250 for general and $5,000 for infrastructure are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. Donated assets are not recorded in governmental funds but are recognized as revenue in the statement of activities. This is the amount by which capital outlays and donated capital assets exceeded depreciation in the current period.		
Capital outlays	19,845,684	
Proceeds from sale of capital assets	(25,013,532)	
Donated capital assets	1,259,051	
Depreciation expense	(8,308,790)	(12,217,587)
In the statement of activities, the gain on the sale of capital assets is reported. The gain is not a use of current resources and thus is not reported in the funds.		(619,552)
The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.		
Issuance of general obligation bonds	(23,000,000)	
Issuance of development notes	(6,630,000)	
Repayment of bond principal	2,644,000	(26,986,000)
Under the modified accrual basis of accounting used in governmental funds the effect of issuance costs, discounts and premiums are recognized when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due, whereas in the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The net effect of these differences is as follows:		
Accrued interest on bonds	(69,187)	
Compensated absences	(112,718)	
Claims payable	1,375,000	
Premium on debt issuances, net of amortization	44,963	
Discount on debt issuances and deferred amount on refunding, net of amortization	94,329	
Deferred bond issuance costs, net of amortization	87,437	1,419,824
Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this year.		157,835
Change in net assets of governmental activities		$ (8,660,726)

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

STATEMENT OF FUND NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2008

	Major Enterprise Funds					
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Recreation	Total Enterprise Funds
Assets:						
Current Assets:						
Cash and cash investments:						
Held by trustees	$ -	$ -	$ 201,655	$ -	$ -	$ 201,655
Unrestricted	9,024,447	9,950,374	12,338	1,354,051	2,574,971	22,916,181
Restricted	4,676,680	-	779,600	-	1,486,178	6,942,458
Investments - restricted	182,400	-	-	-	-	182,400
Receivables, net allowances:						
Services	1,513,106	703,196	-	73,609	-	2,289,911
Accrued interest	108,054	-	-	2,230	1,900	112,184
Other	164,784	115,561	-	259,762	114,960	655,067
Inventory/prepaids	875	-	-	52,040	21,012	73,927
Bond issue costs	287,003	-	56,860	-	88,899	432,762
Total Current Assets	15,957,349	10,769,131	1,050,453	1,741,692	4,287,920	33,806,545
Noncurrent Assets:						
Investment in joint venture	2,185,873	-	-	-	-	2,185,873
Capital assets	81,283,182	6,007,799	9,481,253	6,355,404	42,995,224	146,122,862
Less: Accumulated depreciation	38,765,563	4,370,391	1,641,331	3,478,218	13,096,822	61,352,325
Capital assets - net	42,517,619	1,637,408	7,839,922	2,877,186	29,898,402	84,770,537
Total Noncurrent Assets	44,703,492	1,637,408	7,839,922	2,877,186	29,898,402	86,956,410
Total Assets	60,660,841	12,406,539	8,890,375	4,618,878	34,186,322	120,762,955
Liabilities:						
Current Liabilities:						
Accounts payable	891,786	12,548	2,245	113,912	132,274	1,152,765
Accrued payroll	76,171	39,714	-	29,581	46,929	192,395
Accrued compensated absences	153,797	75,339	-	54,672	48,174	331,982
Accrued interest payable	-	-	105,296	-	391,725	497,021
Deposits held for others	138,750	-	-	74	133,985	272,809
Due to other funds	266,722	80,902	-	11,282	91,694	450,600
Deferred revenue	47,882	10,850	-	-	173,717	232,449
Current portion of revenue bonds payable (payable from restricted assets)	1,545,000	-	545,000	-	510,000	2,600,000
Other	528	-	-	25,419	-	25,947
Total Current Liabilities	3,120,636	219,353	652,541	234,940	1,528,498	5,755,968
Noncurrent Liabilities:						
Long-term portion of revenue bonds payable	23,364,548	-	6,790,904	-	20,486,997	50,642,449
Total Liabilities	26,485,184	219,353	7,443,445	234,940	22,015,495	56,398,417
Net Assets:						
Invested in capital assets, net of related debt	25,740,531	1,637,408	705,673	2,877,186	9,010,178	39,970,976
Restricted for debt service	4,859,080	-	779,600	-	1,486,178	7,124,858
Unrestricted	3,576,046	10,549,778	(38,343)	1,506,752	1,674,471	17,268,704
Total Net Assets	$ 34,175,657	$ 12,187,186	$ 1,446,930	$ 4,383,938	$ 12,170,827	$ 64,364,538

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Major Enterprise Funds					
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Recreation	Total Enterprise Funds
Operating Revenues:						
Water	$ 3,930,386	$ -	$ -	$ -	$ -	$ 3,930,386
Sewer	3,411,761	-	-	-	-	3,411,761
Solid waste	-	4,505,692	-	-	-	4,505,692
Tap on fees	635,782	-	-	-	-	635,782
Tipping fees	-	-	-	1,809,163	-	1,809,163
Rental income	-	-	819,785	-	-	819,785
Recycling income	-	-	-	1,542,071	-	1,542,071
Earth Centre	-	-	-	294,709	-	294,709
Intergovernmental	-	-	-	2,375	-	2,375
Recreation	-	-	-	-	4,608,748	4,608,748
Miscellaneous	1,392,853	116,985	-	54,717	-	1,564,555
Total Operating Revenues	9,370,782	4,622,677	819,785	3,703,035	4,608,748	23,125,027
Operating Expenses:						
Personnel costs	3,209,239	1,822,477	-	1,303,186	2,172,505	8,507,407
Depreciation	2,035,670	461,600	296,068	254,525	1,544,504	4,592,367
Utilities	469,834	12,681	-	56,589	723,245	1,262,349
Purchased water	480,153	-	-	-	-	480,153
Wastewater treatment costs	121,539	-	-	-	-	121,539
Landfill fees	-	984,291	-	1,301,970	-	2,286,261
Repairs and maintenance	689,470	268,570	-	110,771	115,963	1,184,774
Chemicals and supplies	243,061	1,852	-	925	42,532	288,370
Professional services	524,243	14,888	-	46,283	345,702	931,116
Office expense	215,430	44,325	-	130,127	246,377	636,259
Insurance	175,830	61,840	-	11,495	105,575	354,740
Gasoline and fuel	124,957	261,635	-	41,189	-	427,781
Rent	7,398	6,624	-	4,622	-	18,644
Bad debt expense	34,826	15,893	-	3,263	-	53,982
Concessions	-	-	-	-	147,419	147,419
Miscellaneous	428,229	225,732	-	146,772	47,953	848,686
Total Operating Expenses	8,759,879	4,182,408	296,068	3,411,717	5,491,775	22,141,847
Operating Income (Loss)	610,903	440,269	523,717	291,318	(883,027)	983,180
Nonoperating Revenues (Expenses):						
Interest on investments	572,789	3,381	32,252	35,986	118,701	763,109
Bond interest and fees	(985,149)	-	(312,545)	-	(961,441)	(2,259,135)
Gain (loss) on sale of capital assets	(73,713)	-	355,034	-	-	281,321
Equity gain (loss) in joint venture	(38,707)	-	-	-	-	(38,707)
Total Nonoperating Revenues (Expenses)	(524,780)	3,381	74,741	35,986	(842,740)	(1,253,412)
Income (Loss) Before Operating Transfers and Capital Contributions	86,123	443,650	598,458	327,304	(1,725,767)	(270,232)
Transfers:						
Transfers in	-	9,654,954	-	-	1,400,000	11,054,954
Transfers out	(44,000)	(48,500)	-	(20,500)	(17,500)	(130,500)
Net Income (Loss) Before Capital Contributions	42,123	10,050,104	598,458	306,804	(343,267)	10,654,222
Capital contributions	137,719	-	-	-	-	137,719
Change In Net Assets	179,842	10,050,104	598,458	306,804	(343,267)	10,791,941
Net Assets - Beginning of Year	33,995,815	2,137,082	848,472	4,077,134	12,514,094	53,572,597
Net Assets - End of Year	$ 34,175,657	$ 12,187,186	$ 1,446,930	$ 4,383,938	$ 12,170,827	$ 64,364,538

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Major Enterprise Funds					
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Recreation	Total Enterprise Funds
Cash Flows From Operating Activities:						
Receipts from customers	$ 8,065,264	$ 4,471,359	$ 819,785	$ 3,650,828	$ 4,654,113	$ 21,661,349
Payments to suppliers	(3,289,088)	(1,892,943)	(273,535)	(1,796,763)	(3,603,427)	(10,855,756)
Payment to employees	(3,568,687)	(1,816,686)	-	(1,327,062)	(2,160,079)	(8,872,514)
Other receipts	1,379,920	149,561	-	(14,467)	(37,152)	1,477,862
Net Cash Provided By (Used In) Operating Activities	2,587,409	911,291	546,250	512,536	(1,146,545)	3,410,941
Cash Flows Provided By (Used In) Noncapital Financing Activities:						
Transfers out	(44,000)	(48,500)	-	(20,500)	(17,500)	(130,500)
Advances on (repayments of) internal balances	221,651	(175,815)	-	(37,593)	91,831	100,074
Net Cash Provided by (Used In) Noncapital Financing Activities	177,651	(224,315)	-	(58,093)	74,331	(30,426)
Cash Flows From Capital and Related Financing Activities:						
Transfers in	-	9,654,954	-	-	1,400,000	11,054,954
Acquisition and construction of capital assets, net	(9,439,259)	(394,937)	(600,281)	(155,996)	(1,911,806)	(12,502,279)
Proceeds from sale of capital assets	-	-	355,034	-	-	355,034
Principal paid on bonds	(1,540,000)	-	(535,000)	-	-	(2,075,000)
Issuance of Capital Appreciation Bonds	9,999,780	-	-	-	-	9,999,780
Interest paid on bonds	(379,176)	-	(329,327)	-	(942,296)	(1,650,799)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(1,358,655)	9,260,017	(1,109,574)	(155,996)	(1,454,102)	5,181,690
Cash Flows Provided By Investing Activities:						
Proceeds from sale of investments	396,529	-	-	-	-	396,529
Interest received on investments	470,533	3,381	32,252	33,756	116,801	656,723
Net Cash Provided By Investing Activities	867,062	3,381	32,252	33,756	116,801	1,053,252
Net Increase (Decrease) In Cash And Cash Equivalents	2,273,467	9,950,374	(531,072)	332,203	(2,409,515)	9,615,457
Cash and Cash Equivalents - Beginning of Year	11,427,660	-	1,524,665	1,021,848	6,470,664	20,444,837
Cash and Cash Equivalents - End of Year	$ 13,701,127	$ 9,950,374	$ 993,593	$ 1,354,051	$ 4,061,149	$ 30,060,294
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:						
Operating Income (loss)	$ 610,903	$ 440,269	$ 523,717	$ 291,318	$ (883,027)	$ 983,180
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	2,035,670	461,600	296,068	254,525	1,544,504	4,592,367
(Increase) decrease in assets:						
Services receivable	82,083	(45,183)	-	(377)	-	36,523
Miscellaneous receivable	(25,894)	32,576	-	(71,633)	(23,390)	(88,341)
Inventory	(172)	206	-	26,198	(4,642)	21,590
Increase (decrease) in liabilities:						
Accounts payable	(176,946)	5,182	(273,535)	(8,955)	(1,824,019)	(2,278,273)
Accrued payroll	26,269	9,848	-	9,875	10,077	56,069
Accrued vacation	17,283	(4,057)	-	6,249	2,349	21,824
Deposits held for others	13,000	-	-	74	(13,321)	(247)
Other liabilities	5,213	10,850	-	5,262	44,924	66,249
Total Adjustments	1,976,506	471,022	22,533	221,218	(263,518)	2,427,761
Net Cash Provided By (Used In) Operating Activities	$ 2,587,409	$ 911,291	$ 546,250	$ 512,536	$ (1,146,545)	$ 3,410,941

Noncash Investing, Capital and Financing Activities:

During fiscal year 2008, the Waterworks/Sanitary Sewer Fund received $137,719 in contributed water and sewer lines from developers.

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

STATEMENT OF FIDUCIARY NET ASSETS - OTHER POST EMPLOYMENT BENEFITS TRUST FUND SEPTEMBER 30, 2008

ASSETS:	
Cash and investments:	
Held by trustees	$ 6,893,485
Receivables, net of allowances:	
Interest	8,919
Due from other funds	6,798
Prepaid items	3,337
Total Assets	6,912,539
LIABILITIES:	
Due to other funds	16,410
Deferred revenue	2,628
Total Liabilities	19,038
NET ASSETS:	
Reserved for pension benefits	$ 6,893,501

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - OTHER POST EMPLOYMENT BENEFITS TRUST FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

ADDITIONS:	
Contributions:	
City of St. Peters	$ 7,306,855
Plan members	30,341
Total Contributions	7,337,196
Investment income:	
Interest and dividends	32,223
Net depreciation in the fair value of plan investments	(355,913)
Total Investment Income (Expense)	(323,690)
Total Additions	7,013,506
DEDUCTIONS:	
Benefit payments	84,418
Administrative and general expenses:	
Insurance, taxes and other premiums	26,362
Professional fees	9,225
Total administrative and general expenses	35,587
Total Deductions	120,005
CHANGE IN NET ASSETS	6,893,501
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS: BEGINNING OF YEAR	-
END OF YEAR	$ 6,893,501

See accompanying notes to basic financial statements

1. Summary Of Significant Accounting Policies

The City of St. Peters, Missouri (the City) was incorporated in 1910. The City operates as a fourth-class city under the Missouri state statutes under the Board of Aldermen/City Administrator form of government. The Board of Aldermen is comprised of eight Aldermen and a Mayor. The City provides the following services: public safety (police), public works, public improvements, water and sanitary sewer, residential trash collection, recreation, community development, health, planning and zoning, and general administration.

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

Reporting Entity

The City defines its reporting entity to include all component units for which the City's governing body is financially accountable. The City is financially accountable if it appoints a voting majority of a potential component unit's governing body and is able to impose its will on that potential component unit, or the relationship must have the potential for creating specific financial benefits to, or impose specific financial burdens on the City. The City's financial reporting entity consists of the City and its component units.

Blended Component Units: The following component unit is legally separate from the City, however, its activities are so intertwined with the City as the primary government that it is, in substance, the same as the primary government. As such, the balances and transactions of this component unit are blended into the basic financial statements and are reported in a manner similar to the balances and transactions of the City itself.

> The City of St. Peters Public Improvement Corporation (the PIC) has been reported as a component unit of the City and blended as a separate enterprise fund because of the significance of its operational and financial relationship with the City. The PIC was formed in August 1990 for the purpose of facilitating the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City. The PIC is accounted for as if it were part of the City operations because it was established to provide benefits exclusively for the public facility need of the City. Separate financial statements are not prepared for the PIC.

Discretely Presented Component Units: The component unit column in the statement of net assets and statement of activities includes the financial data of the City's discretely presented component unit, which is reported in a separate column to emphasize that it is legally separate from the City.

The City of St. Peters Natatorium Foundation (the Foundation) is a not-for-profit corporation organized for the purpose of accepting contributions from the community and using the resources to fund improvements to the St. Peters Rec-Plex facility. The Foundation is discretely presented due to the nature and significance of its relationship with the board. There are no separate financial statements issued for the Foundation.

Joint Venture: The City has entered into the following multigovernmental arrangement creating an organization that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control, in which the City retains an ongoing financial interest or an ongoing financial responsibility.

The St. Peters-St. Charles Water Pipeline Project (the Water Pipeline Project) was formed under the laws of the State of Missouri on October 2, 1985. The purpose of the Water Pipeline Project is to construct and operate a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of St. Louis, Missouri, to the separate facilities of the municipalities of St. Peters, Missouri, and St. Charles, Missouri, in order to adequately supply water by the pipeline to the citizens and businesses of the municipalities. The Water Pipeline Project is owned by the City of St. Peters (31.8%) and the City of St. Charles (68.2%). The City of St. Peters is responsible for managing and accounting for the daily operations of the Water Pipeline Project, except when concurrence of both cities is required. Additional information regarding the Water Pipeline Project is provided in Note 11.

Basis Of Presentation

The City's basic financial statements include both government-wide (reporting on the City as a whole) and fund financial statements (reporting the City's major, and in the aggregate nonmajor, funds).

Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes, unrestricted interest earnings and other items not included among program revenues are reported instead as general revenues. The government-wide focus is on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activity.

Fund Financial Statements

Following the government-wide financial statements are separate financial statements for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are reported in one column labeled "Other Governmental Funds". The total fund balances for all governmental funds is reconciled to total net assets for governmental activities as shown on the statement of net assets. The net change in fund balance for all governmental funds is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with self-balancing accounts. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. There are three categories of funds used by the City, governmental, proprietary and fiduciary.

Governmental Funds

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

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

Transportation Trust - The transportation trust fund is used to account for transportation sales tax revenues and grants to be used for the construction, repair and maintenance of streets, roads and bridges.

Special Allocation Fund - City Centre - The Special Allocation fund - City Centre is used to account for revenues generated by the City Centre TIF district for the payment of debt service and other TIF related expenditures.

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

Capital Projects - The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The other governmental funds of the City are considered nonmajor. They are special revenue funds, which account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus used is the economic resources measurement focus. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City has five enterprise funds which are all considered major funds as follows:

Waterworks/Sanitary Sewer - The waterworks/sanitary sewer fund is used to account for the billing and collection of charges for water and sanitary sewer services for customers of the waterworks and sanitary sewer system. Revenues are used to pay for both operating expenses and capital costs to maintain these services.

Solid Waste - The solid waste fund is used to account for the provision of solid waste collection to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

Public Improvement Corporation - The public improvement corporation fund is used to account for the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City.

Central Materials Processing Facility - The central materials processing facility fund is used to account for revenues and expenses resulting from the processing of solid waste. Trash and recyclable materials are sorted by recyclable type (i.e., cardboard, newspaper, plastic, glass, aluminum, etc.). The sorted recyclables are then baled and sold to companies that use recyclable material in the manufacturing of their products. The remaining material (trash) is taken to a landfill.

Recreation Fund - The recreation fund is used to account for activities of the City's recreation operations.

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

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

The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for the Enterprise Funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

Fiduciary Fund Type - Trust and Agency Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Trust funds are accounted for and reported similar to proprietary funds. The City's trust fund accounts for post-employment health care benefits provided to eligible retirees. The City does not have any agency funds.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis Of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements, proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange And NonExchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied (Note 3). Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. For the City, available means expected to be received within 60 days of year end.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: state-levied locally shared taxes (including gasoline tax), fines and forfeitures, licenses and permits, interest, grants and rentals.

Deferred And Unearned Revenues

Deferred revenue arises when assets are recognized before revenue recognition criteria has been satisfied. Certain grants received before eligibility requirements are met are reported as unearned revenues.

In governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, principal and interest on general long-term debt, which have not matured are recognized when paid. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash And Cash Equivalents And Investments

The City's cash and cash equivalents consist of highly liquid investments (including restricted assets) with maturity dates within three months of the date acquired by the City. Investments consist of those investments with maturity dates greater than three months at the time of purchase by the City. Investments that have a maturity date of less than one year at the time of purchase are carried at cost or amortized cost because of their short-term maturities. Investments that have a maturity date of greater than one year at the time of purchase are carried at fair value. Fair value is based on quoted market prices.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond the fiscal year end are recorded as prepaid items.

Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The cost of governmental fund-type inventories is recorded as expenditures when consumed rather than when purchased.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded, is employed within the governmental fund financial statements. Encumbrances outstanding at year-end do not constitute expenditures or liabilities and are reported as a reservation of fund balance to indicate that a portion of the fund balance is not available for subsequent appropriation.

Capital Assets

Capital assets, which include property, plant, equipment and prospectively reported infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of $250 or more for general capital assets and $5,000 or more for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not enhance functionality or materially extend the life of an asset are not capitalized.

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

Buildings	30 years
Structures and improvements	20 years
Water and sewer lines	50 years
Streets, bridges and sidewalks	12 - 50 years
Furniture and other equipment	5 - 8 years
Vehicles	5 years
Computer equipment	5 years
Software	3 years
Land improvement	20 years
Pool equipment	5 years

Compensated Absences

City employees earn vacation during the current year which must be taken in the subsequent year. Accrued vacation time is recognized as a liability when incurred and any unused accumulated vacation is payable to employees upon termination. Based upon the policy of the City, all of the accrued vacation is due within one year and is recorded in the government-wide and proprietary fund financial statements as a short-term liability. A liability for these amounts is reported in governmental funds only if the amounts due at year end have matured. Sick leave benefits do not vest and are recorded as expenditures when paid. Compensated absences are typically liquidated by the general fund.

Long Term Liabilities

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

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The accounting for long-term liabilities in the proprietary funds is the same as it is in the government-wide financial statements.

Debt Refunding

For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense over the remaining life of the old debt or new debt, whichever is shorter, using the straight-line method since the results of the straight-line method are not materially different from the use of the effective interest method. The deferred refunding amounts are classified as a component of bonds payable in the government-wide and proprietary fund financial statements.

Interfund Activity

Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expensed are recorded as other financing sources (uses) in the governmental fund financial statements.

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Net Assets

In the government-wide and proprietary fund financial statements, net assets is displayed in three components as follows:

> **Invested In Capital Assets, Net Of Related Debt** - This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
>
> **Restricted** - This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.
>
> **Unrestricted** - This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for subsequent year appropriations or is legally segregated for a specific future use.

Investment In Joint Venture

The City's investment in the St. Peters - St. Charles Water Pipeline Project (the Joint Venture) is recorded on the equity method of accounting, taking into consideration capitalized interest.

Estimates And Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the City to make estimates and assumptions that affect the reported amounts of assets and liabilities at fiscal year end and revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Deposits And Investments

Investment Policy

The City's Deputy Investment Officer, subject to the review of the Investment Officer, is authorized to invest excess cash in any investments authorized by the City's investment policy. The City's investment policy conforms to the investment policy guidelines set forth by the State of Missouri. The City's investment policy authorizes the City to invest in the following instruments: insured or collateralized certificates of deposit, certain collateralized repurchase agreements, direct obligations of any state in the United States and certain Missouri governmental entities (as outlined in the policy) that are rated "AAA" by Standard & Poor's Corporation and/or "Aaa" by Moody's Investor Service at the time of purchase, direct obligations of the United States of America, and obligations issued or guaranteed by certain agencies of the United States of America (as outlined in the policy). As of September 30, 2008, all of the City's investments were in compliance with the City's investment policy.

Any bond ordinance, contract or other document, which imposes more stringent standards for investments than those set forth in the policy, shall govern the investment of such funds. To the extent the City's policy shall impose more stringent standards for investments than those set forth in any bond ordinance, contract or other document, the City's policy shall govern such investments.

As of September 30, 2008, the City's deposit and investment balances were as follows:

Deposit/Investment Type	Carrying Value
Deposits	$68,675,751
Certificates of deposit	22,950,000
United States treasuries	182,400
Money market mutual funds	7,103,324
	$98,911,475

As of September 30, 2008, the discretely presented component unit's investment balances were as follows:

Money market mutual funds	$ 48,829
United States agencies	426,556
Corporate bonds and notes	276,089
Common stocks	873,082
Equity mutual funds	422,105
	$2,046,661

The discretely presented component unit is not required to adopt the provision of GASB 40.

Fiduciary Trust Investments:

Money market mutual funds	$3,119,850
Federal Home Loan Bank	816,782
Federal Home Loan Mortgage Corporation	213,782
Federal National Mortgage Association	1,018,320
Corporate bonds and notes	36,846
Common stocks	111,820
Equity mutual funds	1,473,430
Investment in foreign markets	102,655
	$6,893,485
Total Deposits and Investments	$107,851,621

Since the investment strategies and associated risks for the City's Fiduciary Trust fund is substantially different than those of the remainder of the City, the investment disclosures for the Fiduciary Trust are presented separately.

Interest Rate Risk

As of September 30, 2008, the City had the following investments and maturities:

Investment Type	Fair Value	Maturity Date
United States treasuries	$ 182,400	Less than 1 year
Money market mutual funds	7,103,324	Less than 1 year

Generally, all investments shall be held to maturity to avoid market losses. To enable investments to be held to maturity, investments shall be made in a manner that ensures the availability of funds on a timely and adequate basis for payment of general expenditures and capital outlay projects. Maturity limitations shall depend on fund type (i.e., short-term or long-term). All funds shall be considered short-term, except those for debt service reserves, capital projects, special assessment funds and trust funds, unless otherwise determined by the Investment Officer consistent with the policy.

Market price volatility risk and reinvestment risk shall be controlled through maturity diversification.

All repurchase agreements shall have a maturity of not longer than 30 days. No more than 15% of the City's portfolio shall be invested in repurchase agreements, unless approval has been obtained by the Board of Aldermen.

Short-term fund investment maturities shall be scheduled to coincide with projected cash flow needs, considering anticipated revenues and large routine expenditures (e.g. payroll). Short-term funds shall be invested in instruments whose maturities do not exceed one year at the time of purchase.

At no time shall the City invest Short-Term Funds with a maturity date of over one year without the approval of the Board of Aldermen prior to commitment of such funds.

Debt service reserve funds may be invested for a period corresponding to the maturity on the bonds that such debt service reserve fund secures. All other Long-Term Funds may be invested with maturities that generally coincide with the expected fund uses. Long-Term Funds may only be invested in investments that are permitted in the policy.

Credit Risk

The City will minimize the credit risk, the risk of loss due to failure of the security issuer or backer, by pre-qualifying the financial institutions, broker/dealers, advisors and depositories with which the City will do business. The City will also diversify the portfolio so that potential losses on individual securities will be minimized.

The City's credit ratings associated with their investments in money market mutual funds all carry a credit rating assigned by Standard and Poor's of "AAA" and assigned by Moody's of "Aaa."

Concentration of Credit Risk

The City's investment policy places no specific limits on the amount the City may invest in any one issuer as a percentage of the total portfolio, with the exception of repurchase agreements, which are limited to 15% of the portfolio. The City employs the "prudent person" standard, as defined in the policy, to determine the instrument type and maturity that the City invest its funds in. As of September 30, 2008, the City's investments were not subject to concentration of credit risk.

Custodial Credit Risk

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with its policy, the City addresses custodial credit risk by pre-qualifying institutions with which the City places investments, diversifying its investment portfolio and maintaining the "prudent person" standard of quality for its investments.

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution. As of September 30, 2008, the City had a total of $3,100,000 that was uninsured and uncollateralized.

Fiduciary Trust Investments

The Fiduciary Trust Fund is governed by City of St. Peters Post Retirement Medical Trust (the "Trust") guidelines. The Trust will be for the benefit of former employees who have retired directly from service with the City.

The Trust is authorized to invest in the following types of investments:

a. Equity funds, which are primarily invested in common stocks of publicly traded companies, as well as securities that can be converted into common stocks.

b. Bond funds, that typically include U.S. Treasury obligations, obligations of government sponsored entities, Federal Agency obligations, corporate notes, debentures, preferred stocks, mortgage backed securities, asset backed securities, commercial paper, and commercial bank Certificates of Deposit.

c. Money market funds that typically invest in short term cash alternatives.

Interest Rate Risk

As of September 30, 2008, the Trust had the following investments and maturities:

Investment Type	Fair Value	Maturity Date
Money market mutual funds	$3,119,850	Less than 1 year
Federal Home Loan Bank	203,281	Less than 1 year
Federal Home Loan Bank	613,501	1 - 5 years
Federal Home Loan Mortgage Corp	213,782	1 - 5 years
Federal National Mortgage Association	404,945	Less than 1 year
Federal National Mortgage Association	613,375	1 - 5 years
Corporate bonds and notes	37,846	1 - 5 years
Commons stocks	111,820	Not applicable
Equity mutual funds	1,473,430	Not applicable

The Trust plan requires active managers to manage the effective duration of their portfolio type comparable to their peers and relative to specific indices outlined in the Plan's policies.

Foreign Currency Risk

As of September 30, 2008, the Trust had the following investments and maturities in foreign currencies:

Investment Type	Currency	Fair Value	Maturity Date
BP Capital Markets PLC Note	European Euro	$102,655	3/15/2010

Foreign Currency Risk (continued)

The Trust's investment in foreign currency – denominated by corporate bonds were rated AA by Standard and Poor's and Aal by Moody's. The Trust's investment policies place no limits on foreign investments.

Custodial Credit Risk

The Trust plan does not have a specific policy addressing custodial credit risk. The Pension Trust was not subject to custodial credit risk this year.

Investment Credit Risk

The Trust plans investment policies limit its investment choices, as documented above. The credit ratings associated with their investments all carry a credit rating assigned by Standard and Poor's of "AAA" and assigned by Moody's of "Aaa", with the exception of the investment in foreign market as documented above.

Concentration of Credit Risk

The Trust's investment policy allows the following ranges for asset classes:

Equity	40% to 60%
Fixed Income	10% to 40%
Money Markets	1% to 40%
Alternative Investments*	up to 10%

* including pooled real estate/real estate investment trusts, hedge funds, commodity funds, etc.

The following table lists investments in issuers that represent 5% or more of total investments at September 30, 2008:

Issuer	Percent Of Total Investments
Federal Home Loan Bank	11.8%
Federal National Mortgage Association	14.8%

3. Property Tax

The City's property tax is levied annually, on or before September 1, based on the assessed valuation of property located in the City as of the previous January 1. Assessed valuations are established by the St. Charles County Assessor. The City tax rate was levied at $.77 per $100 of assessed valuation, of which $.53 is for general revenue purposes and $.24 for the payment of principal and interest on general obligation bonds. Taxes are billed November 1, are due and collectible on December 31, and are delinquent and represent a lien on related property on January 1 of the following year. Taxes are billed, collected and remitted to the City by the St. Charles County Collector.

4. Capital Assets

Capital asset activity for the year ended September 30, 2008:

	Balance October 1, 2007	Additions and transfers	Retirements and transfers	Balance September 30, 2008
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 134,321,845	$ 22,593,963	$ 21,875,032	$ 135,040,776
Construction in progress	30,107,330	10,778,226	26,353,690	14,531,866
Total capital assets not being depreciated	164,429,175	33,372,189	48,228,722	149,572,642
Capital assets, being depreciated:				
Structures and improvements	26,423,455	6,121,163	3,943,734	28,600,884
Machinery and equipment	15,322,178	1,402,363	1,917,144	14,807,397
Furniture and fixtures	1,225,119	12,626	2,157	1,235,588
Vehicles	4,875,340	410,292	142,230	5,143,402
Infrastructure	172,033,797	6,305,489	1,401,612	176,937,674
Total capital assets being depreciated	219,879,889	14,251,933	7,406,877	226,724,945
Less - accumulated depreciation for:				
Structures and improvements	13,219,246	994,748	41,440	14,172,554
Machinery and equipment	13,210,588	871,297	1,902,832	12,179,053
Furniture and fixtures	1,095,547	42,896	1,566	1,136,877
Vehicles	3,444,921	515,162	135,678	3,824,405
Infrastructure	87,253,713	5,884,687	1,401,612	91,736,788
Total accumulated depreciation	118,224,015	8,308,790	3,483,128	123,049,677
Total capital assets being depreciated, net	101,655,874	5,943,143	3,923,749	103,675,268
Governmental activities, capital assets, net	$ 266,085,049	$ 39,315,332	$ 52,152,471	$ 253,247,910

	Balance October 1, 2007	Additions and transfers	Retirements and transfers	Balance September 30, 2008
Business-Type Activities:				
Waterworks/Sanitary Sewer:				
Capital assets, not being depreciated:				
Land and land rights	$ 1,274,998	$ -	$ -	$ 1,274,998
Construction in progress	3,233,033	6,286,419	4,784,061	4,735,391
Total capital assets not being depreciated	4,508,031	6,286,419	4,784,061	6,010,389
Capital assets, being depreciated:				
Structures and improvements	23,284,534	13,170,890	-	36,455,424
Water lines	20,715,913	6,116,928	8,653,771	18,179,070
Sewer lines	18,431,238	449,762	3,177,334	15,703,666
Machinery, equipment and vehicles	4,715,266	206,944	11,516	4,910,694
Furniture, fixtures and other assets	34,915	-	10,976	23,939
Total capital assets being depreciated	67,181,866	19,944,524	11,853,597	75,272,793
Less: Accumulated depreciation for:				
Structures and improvements	18,415,461	4,621,840	-	23,037,301
Water lines	7,503,361	480,241	2,241,726	5,741,876
Sewer lines	7,059,389	375,306	1,617,412	5,817,283
Machinery, equipment and vehicles	3,810,144	350,986	9,630	4,151,500
Furniture, fixtures and other assets	20,816	1,641	4,854	17,603
Total accumulated depreciation	36,809,171	5,830,014 *	3,873,622	38,765,563
Total capital assets being depreciated, net	30,372,695	14,114,510	7,979,975	36,507,230
Waterworks/sanitary sewer capital assets, net	$ 34,880,726	$ 20,400,929	$ 12,764,036	$ 42,517,619
*Includes transfers totaling $3,794,344				
Solid Waste:				
Capital assets, not being depreciated:				
Land and land rights	$ -	$ -	$ -	$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Structures and improvements	710,634	-	-	710,634
Machinery and equipment	1,875,433	142,269	549	2,017,153
Vehicles	3,027,344	252,668	-	3,280,012
Total capital assets being depreciated	5,613,411	394,937	549	6,007,799
Less: Accumulated depreciation for:				
Structures and improvements	408,932	26,598	-	435,530
Machinery and equipment	1,634,780	107,102	549	1,741,333
Vehicles	1,865,628	327,900	-	2,193,528
Total accumulated depreciation	3,909,340	461,600	549	4,370,391
Total capital assets being depreciated, net	1,704,071	(66,663)	-	1,637,408
Solid waste capital assets, net	$ 1,704,071	$ (66,663)	$ -	$ 1,637,408

	Balance October 1, 2007	Additions and transfers	Retirements and transfers	Balance September 30, 2008
Business-Type Activities (continued):				
Public Improvement Corporation:				
Capital assets, not being depreciated:				
Land and land rights	$ 1,800,000	$ -	$ -	$ 1,800,000
Construction in progress	1,503,653	-	997,512	506,141
Total capital assets not being depreciated	3,303,653	-	997,512	2,306,141
Capital assets, being depreciated:				
Structures and improvements	4,145,851	1,242,757	338,721	5,049,887
Machinery, equipment and vehicles	1,671,258	693,754	247,612	2,117,400
Furniture and fixtures	7,822	3	-	7,825
Total capital assets being depreciated	5,824,931	1,936,514	586,333	7,175,112
Less: Accumulated depreciation for:				
Structures and improvements	182,885	47,642	-	230,527
Machinery, equipment and vehicles	1,405,742	247,403	247,612	1,405,533
Furniture and fixtures	4,248	1,023	-	5,271
Total accumulated depreciation	1,592,875	296,068	247,612	1,641,331
Total capital assets being depreciated, net	4,232,056	1,640,446	338,721	5,533,781
Public Improvement Corporation capital assets, net	$ 7,535,709	$ 1,640,446	$ 1,336,233	$ 7,839,922
Central Materials Processing Facility:				
Capital assets, not being depreciated:				
Land and land rights	$ 587,236	$ -	$ 587,236	$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	587,236	-	587,236	-
Capital assets, being depreciated:				
Structures and improvements	3,930,240	587,236	-	4,517,476
Machinery and equipment	1,667,242	155,996	131,320	1,691,918
Furniture and fixtures	14,671	-	-	14,671
Vehicles	131,339	-	-	131,339
Total capital assets being depreciated	5,743,492	743,232	131,320	6,355,404
Less: Accumulated depreciation for:				
Structures and improvements	1,661,503	162,844	-	1,824,347
Machinery and equipment	1,576,330	73,218	131,320	1,518,228
Furniture and fixtures	12,927	405	-	13,332
Vehicles	104,253	18,058	-	122,311
Total accumulated depreciation	3,355,013	254,525	131,320	3,478,218
Total capital assets being depreciated, net	2,388,479	488,707	-	2,877,186
Central Materials Processing Facility capital assets, net	$ 2,975,715	$ 488,707	$ 587,236	$ 2,877,186

Business-Type Activities (continued):	Balance October 1, 2007	Additions and transfers	Retirements and transfers	Balance September 30, 2008
Recreation:				
Capital assets, not being depreciated:				
Land and land rights	$ -	$ -	$ -	$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Structures and improvements	39,305,433	1,548,912	-	40,854,345
Machinery and equipment	1,555,358	344,375	7,688	1,892,045
Furniture and fixtures	230,315	18,519	-	248,834
Total capital assets being depreciated	41,091,106	1,911,806	7,688	42,995,224
Less: Accumulated depreciation for:				
Structures and improvements	10,169,059	1,414,090	-	11,583,149
Machinery and equipment	1,174,028	123,066	7,688	1,289,406
Furniture and fixtures	216,919	7,348	-	224,267
Total accumulated depreciation	11,560,006	1,544,504	7,688	13,096,822
Total capital assets being depreciated, net	29,531,100	367,302	-	29,898,402
Recreation capital assets, net	$ 29,531,100	$ 367,302	$ -	$ 29,898,402

Capitalized interest totaling $1,489,114 and $654,693 is included in the Recreation Fund and Waterworks/Sanitary Sewer Fund capital assets, respectively.

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

Governmental Activities:	
General government	$ 204,675
Administration	394,718
Police	392,766
Municipal court	2,976
Public works	6,415,808
Engineering	39,831
Vehicle and equipment maintenance	20,554
Health and environmental	20,488
Parks and recreation	667,070
Community relations	70,077
Community and arts	79,827
Total depreciation expense - governmental-type activities	$ 8,308,790
Business-Type Activities:	
Waterworks	$ 2,035,670
Solid waste	461,600
Public Improvement Corporation	296,068
Central materials processing facilities	254,525
Recreation	1,544,504
Total depreciation expense - business-type activities	$ 4,592,367

5. Employees' Retirement System

Plan Description

The City participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, section RSMo. 70.600 - 70.755. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and it is tax exempt.

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

Funding Policy

The City's full-time employees contribute 4% of their gross salary to the pension plan. The City is required by state statute to contribute at an actuarially determined rate; the current rate is 12.3% (general) and 12.1% (police) of annual covered payroll. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute.

Annual Pension Cost

For the 2008 Plan year, the City's annual pension cost of $3,442,887 (employer and employee contributions of $2,617,340 and $825,547, respectively) was equal to the required and actual contributions. The required contribution was determined as part of the February 28, 2006 and/or February 28, 2007 annual actuarial valuation using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2008 included (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0% to 6% per year, depending on age and division, attributable to seniority/merit, (d) pre-retirement mortality based on the RP-2000 Combined Healthy Table set back zero years for men and zero years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 5-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at February 28, 2008 was 15 years.

Three-Year Trend Information			
Fiscal Year Ended	Annual Pension Costs (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2006	$ 3,212,611	100%	$ -
June 30, 2007	$ 3,353,627	100%	$ -
June 30, 2008	$ 3,442,887	100%	$ -

Funded Status and Funding Progress. As of February 28, 2008, the most recent actuarial valuation date, the plan was 81 percent funded. The actuarial accrued liability for benefits was $61.3 million, and the actuarial value of assets was $49.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of $11.4 million. The covered payroll (annual payroll of active employees covered by the plan) was $21.8 million, and the ratio of the UAAL to the covered payroll was 52 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

6. Long-Term Liabilities

The original issue amount and fund maturity date for each bond outstanding is as follows:

	Original Issue Amount	Date of Maturity
General Obligation:		
Series 1999 Refunding	$ 16,035,000	January 2013
Series 2002	2,500,000	March 2021
Series 2004 Refunding	9,520,000	March 2016
Series 2007	7,000,000	March 2027
Series 2008	16,000,000	March 2028
Neighborhood Improvement District Special Assessment Debt With Governmental Commitment:		
Series 2006	52,700	March 2016
Tax Increment Revenue:		
Series 2001	9,900,000	December 2012
Revenue Bonds:		
Series 1999	9,910,000	May 2015
Series 2003	12,970,000	May 2023
Series 2007	21,445,000	May 2032
Certificates of Participation:		
Series 2006A	23,100,000	November 2031
Series 2006B	1,525,000	November 2010
PIC Leasehold Revenue Bonds:		
Series 2002	2,900,000	June 2022
Series 2003	7,070,000	December 2023
Development Notes (Premier 370 Project)		
Series 2008 A	6,630,000	September 2028

	Balance - October 1, 2007	Additions	Retirements	Balance - September 30, 2008	Current Portion
Governmental Activities					
General Obligation Bonds:					
Series 1999 Refunding	$ 11,605,000	$ -	$ 1,670,000	$ 9,935,000	$ 1,790,000
Series 2002	2,500,000	-	-	2,500,000	-
Series 2004 Refunding	9,520,000	-	650,000	8,870,000	750,000
Series 2007	-	7,000,000	-	7,000,000	-
Series 2008	-	16,000,000	-	16,000,000	-
Neighborhood Improvement District Limited General Obligation Bonds					
Series 2006	48,700	-	4,000	44,700	5,000
Annual Appropriation Bonds:					
Tax Increment Revenue Notes:					
Taxable Series 2001	5,423,000	-	-	5,423,000	-
Tax-exempt - Series 2001	3,513,000	-	-	3,513,000	-
Certificates of Participation:					
Series 2006A - Refunding portion	3,275,000	-	320,000	2,955,000	320,000
Development Notes, Series A	-	6,630,000	-	6,630,000	-
Compensated absences	988,946	1,584,621	1,471,903	1,101,664	1,101,664
	$ 36,873,646	$ 31,214,621	$ 4,115,903	$ 63,972,364	$ 3,966,664
Add: Unamortized premium				206,081	
Less: Unamortized discount and deferred amount on refunding				(874,405)	
Total Governmental Activities				$ 63,304,040	
Business -Type Activities:					
Water/Sewer Revenue Bonds:					
Capital Appreciation Series 1999	$ 8,590,000	$ -	$ 1,140,000	$ 7,450,000	$ 1,135,000
Series 2002 Refunding	400,000	-	400,000	-	-
Capital Appreciation Series 2003	12,970,000	-	-	12,970,000	230,000
Capital Appreciation Series 2007	-	21,445,000	-	21,445,000	180,000
Annual Appropriation Bonds:					
Certificates of Participation:					
Series 2006A - Tax-exempt	19,825,000	-	-	19,825,000	-
Series 2006B - Taxable	1,525,000	-	-	1,525,000	510,000
PIC Leasehold Revenue Bonds (Note 7):					
Series 2002	1,715,000	-	260,000	1,455,000	265,000
Series 2003	6,275,000	-	275,000	6,000,000	280,000
Compensated absences	310,158	560,258	538,434	331,982	331,982
	$ 51,610,158	$ 22,005,258	$ 2,613,434	71,001,982	$ 2,931,982
Less: Unamortized discount and deferred amount on refunding				(782,371)	
Unaccreted capital appreciation on bonds				(16,645,180)	
Total Business-Type Activities				$ 53,574,431	

Debt Service Requirements To Maturity (Including Public Improvement Corporation)

The annual principal requirements to maturity of bonded debt outstanding as of September 30, 2008, assuming the Certificates of Participation lease/purchase agreement is renewed each year, are as follows:

	Governmental Activities				Business-Type Activities				Total Debt Service Requirments To Maturity	
	General Obligation and Special Assessment		Annual Appropriation		Revenue Bonds		Annual Appropriation			
Years Ending September 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2009	$ 2,545,000	$ 1,976,260	$ 320,000	$ 108,880	$ 1,545,000	$ -	$ 1,055,000	$ 1,238,030	$ 5,465,000	$ 3,323,170
2010	2,805,000	1,781,800	220,000	99,110	1,500,000	-	1,060,000	1,189,690	5,585,000	3,070,600
2011	2,990,000	1,655,110	230,000	90,840	1,500,000	-	1,255,000	1,137,540	5,975,000	2,883,490
2012	3,260,000	1,513,770	240,000	82,080	1,590,000	-	1,160,000	1,087,570	6,250,000	2,683,420
2013	3,486,000	1,356,390	245,000	72,930	1,695,000	-	990,000	1,041,850	6,416,000	2,471,170
2014 - 2018	8,328,700	5,375,900	1,385,000	209,730	9,235,000	-	5,525,000	4,579,840	24,473,700	10,165,470
2019 - 2023	9,350,000	3,552,680	315,000	6,540	9,325,000	-	6,735,000	3,275,300	25,725,000	6,834,520
2024 - 2028	11,585,000	1,326,340	-	-	8,600,000	-	5,830,000	1,817,050	26,015,000	3,143,390
2029 - 2033	-	-	-	-	6,875,000	-	5,195,000	485,600	12,070,000	485,600
	$ 44,349,700	$ 18,538,250	$ 2,955,000	$ 670,110	$ 41,865,000	$ -	$ 28,805,000	$ 15,852,470	$ 117,974,700	$ 35,060,830

General Obligation Bonds

General obligation bonds are supported by a pledge of the City's full faith and credit. These bonds, which are reported in the government-wide statement of net assets, were issued to finance various capital projects. $3,458,563 is available in the City's Debt Service Funds to repay general obligation bonds. The remainder of the general obligation bonds are to be repaid from future property tax levies. The bonds bear interest at rates ranging from 3.10% to 7.20% and mature through 2028.

Neighborhood Improvement District Bonds (Special Assessment Debt With Governmental Commitment)

In 1994, State legislation was adopted permitting the formation of special assessment areas, known as Neighborhood Improvement Districts, to finance local public improvements (the NID Act). The improvements are financed by bonds which are retired by assessments levied on those specific properties which benefit from the improvements. To the extent assessments are insufficient to retire the NID Bonds, the City is obligated to pay for debt service with available funds of the City. The City is not authorized to levy a City-wide property tax to pay the NID Bonds.

On September 26, 2006, the City issued $52,700 of Neighborhood Improvement District Limited General Obligation Bonds (NID Bonds). These bonds are supported by a pledge of the City's full faith and credit and will be repaid from future special assessments to be assessed on certain real property of the District. The bonds bear interest at 4.7% and mature in 2016.

Tax Increment Financing (TIF) Notes Payable

The tax increment financing notes payable are payable from payments in lieu of taxes collected by the Special Allocation special revenue funds.

The TIF notes represent special, limited obligations of the City, payable solely from the incremental sales and property taxes generated by the development project. The balance at September 30, 2008 represents outstanding notes with no accrued interest. The annual debt service repayments of the TIF notes are contingent upon the amounts of payments in lieu of taxes collected by the TIF districts. The notes bear interest at rates ranging from 7% to 8.5% and mature December 1, 2012.

Revenue Bonds (Excluding Public Improvement Corporation)

All revenue bonds payable are recorded in the appropriate enterprise funds since the ordinances authorizing the bond issues require that the bonds be repaid from operations of the respective enterprise fund. These bonds are payable solely from, and secured by, a pledge of the net revenues to be derived from the operation of the Waterworks and Sewerage System. The bond ordinances require the establishment of certain cash reserve accounts which are described in Note 9. These bonds bear interest at rates ranging from 2.8% to 5.25% and mature through 2032.

Certificates of Participation

On November 1, 2006, Certificates of Participation ("COPS") in the amount of $23,100,000 (Series 2006A) and $1,525,000 (Series 2006B) were issued evidencing proportionate ownership interest in the right to receive rental payments to be paid by the City pursuant to an annually renewable Lease/Purchase Agreement.

The purpose of the Series 2006A Certificates is to finance the cost of renovating the City's Rec-Plex, construct an ice skating complex adjacent to the Rec-Plex, and refund $3,095,000 principal amount of outstanding Leasehold Revenue Bonds, Series 1998. The Series 2006A Certificates are non-taxable, bear interest at rates ranging from 3.55% to 4.55% and mature November 1, 2031. The purpose of the 2006B Certificates is to finance the cost of constructing a high intensity training center to be located adjacent to the Rec-Plex. The Series 2006B Certificates are taxable, bear interest at rates ranging from 5.55% to 5.65% and mature November 1, 2010.

In conjunction with the issuance of these Certificates, the City entered into a lease agreement ("Ground Lease") to lease to UMB Bank, N.A. (the "Trustee") the real estate on which the Rec-Plex is located. The Trustee has subleased the real estate and all improvements thereon back to the City pursuant to the Lease/Purchase Agreement. The Ground Lease provides for, among other things, rental income equal to the COPS proceeds and a term that ends November 1, 2051 or after the City has paid either the option price or all of the basic and

supplemental rent payments. Terms of the Lease/Purchase Agreement include, among other things, rental payments equal to the principal and interest amounts of the COPS issuance including supplemental rental payments to cover trustee fees, taxes, repair and maintenance costs, insurance, and amounts needed to meet applicable reserve requirements. The Lease/Purchase Agreement also provides for an initial rental term ending October 31, 2007 with renewal options for twenty-four (24) consecutive one-year renewal terms ending November 2, 2031.

Development Notes (Premier 370 Project)

The City has a reimbursement agreement with the Premier 370 Project Developer. The Developer intends to construct on the property certain public infrastructure improvements ("Public Improvements") and other improvements for industrial and commercial uses ("Development"), all of which will help to improve the social and economic welfare of the City and enhance the tax base on the City.

To ensure the economic stability of the project, the City has agreed to reimburse the Developer for a portion of certain costs related to the Public Improvements for the construction of an Interchange.

On December 14, 2006, the City authorized the issuance of Development Notes (Series A and B) not to exceed $19 million. On September 16, 2008, the City issued $6,630,000 of Development Notes (Series A) for the Premier 370 project. The Series A Notes are tax exempt and bear interest at 5.675%. Principal and interest is payable on February 1, May 1, August 1 and November 1 and final payment is due on September 15, 2028.

The notes represent special, limited obligations of the City. Principal and interest is payable from pledged revenues, as defined in the agreement.

Upon substantial completion of the Public Improvements, the Developer will dedicate and convey to the City, along with all necessary easements and rights of way.

Legal Debt Margin

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

Assessed valuation - 2007 tax year	$1,080,803,169
Debt limit - 10% of assessed valuation	108,080,317
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	44,349,700
Less: Amount available in debt service fund	(3,458,563)
Bond indebtedness applicable to debt limit	40,891,137
Legal debt margin	$ 67,189,180

7. City Of St. Peters, Missouri Public Improvement Corporation

On August 24, 1990, the Public Improvement Corporation (PIC) was formed as a Missouri not-for-profit corporation. The purpose of the PIC is to facilitate the acquisition and construction of certain capital improvements and facilities solely for the benefit of the City of St. Peters, Missouri.

Funding of such capital improvements and facilities has been provided through the issuance of leasehold revenue bonds. The revenue bonds do not constitute a legal debt or liability for the City, the State of Missouri, or for any political subdivision thereof and do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. The issuance of the revenue bonds does not obligate the City to levy any form of taxation or to make any appropriation for their payment in any fiscal year. The PIC has no taxing power.

On December 1, 2003, the PIC issued $7,070,000 of Leasehold Revenue Bonds, Series 2003. Proceeds from the sale of the bonds were used to finance the construction of improvements to Laurel Park, improvements to other City parks and trails, the acquisition of recreational facilities and improvements thereto, erosion control, watershed and basin improvements, and other storm water management related projects. Simultaneously with the issuance of these 2003 Leasehold Revenue Bonds, the City entered into a lease agreement dated December 1, 2003 whereby a portion of the property, facilities and improvements acquired or constructed by the PIC have been leased to the City. The initial lease was renewed on September 30, 2004 and subject to annual budget appropriations. The lease will have successive one-year renewal options for a period of twenty years. At the end of the twenty-year period, the assets will be inventoried and become property of the City. Rental payments by the City are to be sufficient at all times to pay, when due, the principal, redemption premium, if any, and interest on the 2003 Leasehold Revenue Bonds. For fiscal year 2008, the City made lease payments totaling $527,792.

On June 1, 2002, the PIC issued $2,900,000 of Leasehold Revenue Bonds, Series 2002. Proceeds from the sale of the bonds were used to finance the acquisition and renovation of a building for use primarily by the City's construction management department and for the City's cable television operations, the acquisition of solid waste collection vehicles, the acquisition of a communications system and the acquisition of other personal property for municipal use. Simultaneously with the issuance of these 2002 Leasehold Revenue Bonds, the City entered into a lease agreement dated June 1, 2002 whereby a portion of the property, facilities and improvements acquired or constructed by the PIC have been leased to the City. The initial lease was renewed on September 30, 2002 and subject to annual budget appropriations. The lease will have successive one-year renewal options for a period of twenty years. At the end of the twenty-year period, the assets will be inventoried and become property of the City. Rental payments by the City are to be sufficient at all times to pay, when due, the principal, redemption premium, if any, and interest on the 2002 Leasehold Revenue Bonds. For fiscal year 2008, the City made lease payments totaling $336,535.

8. Debt Defeasance

In prior years the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds were used to purchase U.S. government securities that were placed in trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt has matured and, therefore, the defeased debt was removed as a liability from the City's financial statements. As of September 30, 2008, the amount of defeased debt outstanding, but removed from the financial statements amounted to $515,000.

9. Enterprise Funds Debt Requirements

Cash and cash equivalents and investments restricted at September 30, 2008 are as follows:

Revenue Fund	$ 9,384
Operation and Maintenance Fund	1,803,006
Series 1999 Waterworks and Sewage Bond Debt Service Fund	472,917
Series 2003 Waterworks and Sewage Bond Debt Service Fund	115,000
Series 2007 Waterworks and Sewage Bond Debt Service Fund	90,000
Series 2002 Leasehold Revenue Bonds Reserve Fund	243,788
Series 2003 Leasehold Revenue Bonds Reserve Fund	535,812
Depreciation Fund	225,000
Interest Reserve Fund	500,000
Contingency Fund	1,643,773
Series 2006A Certificate of Participation Payment Fund	10,953
Series 2006A Certificate of Participation Reserve Fund	1,321,275
Series 2006B Certificate of Participation Payment Fund	1,273
Series 2006B Certificate of Participation Reserve Fund	152,677
	$ 7,124,858

The various Leasehold and other Revenue Bond, Certificates of Participation and related documents provide for the restriction of operating revenues of the enterprise fund after current operating expenses have been met. The Ordinance also provides for additional restrictions of operating revenues. The following are descriptions of the related reserve requirements:

Revenue Fund

Requirements - deposit of the gross earnings (excluding tap-on fees) of the Waterworks and Sewer System as collected, to be disbursed to the following funds as required.

Operation And Maintenance Fund

Requirements - monthly credit of a sum sufficient to pay the expenses for that month.

Series 1999 Waterworks And Sewage Revenue Bonds Debt Service Fund

Requirements - monthly credit (1/12) of the debt service payment due the next succeeding May 1.

Series 2003 Waterworks and Sewage Revenue Bonds Debt Service Fund

Requirements - monthly credit (1/12) of the debt service payment due the next succeeding May 4.

Series 2007 Waterworks and Sewage Revenue Bonds Debt Service Fund

Requirements - monthly credit (1/12) of the debt service payment due the next succeeding May 1.

Series 2002 Leasehold Revenue Bond Reserve Fund

Requirements - initial deposit of $239,721 to be used for the payment of principal and interest on the bonds in the event insufficient funds are available in the bond fund. In the event monies are drawn from this fund, the City will replenish the fund no later than the next succeeding Rental Payment date in equal monthly installments over a period not to exceed 13 months after being notified of such deficiency.

Series 2003 Leasehold Revenue Bond Reserve Fund

Requirements - initial deposit of $533,193 to be used for the payment of principal and interest on the bonds in the event insufficient funds are available in the bond fund. In the event monies are drawn from this fund, the City will replenish the fund no later than the next succeeding Rental Payment date in equal monthly installments over a period not to exceed 13 months after being notified of such deficiency.

Depreciation Fund

Requirements - initial transfer and credit of $225,000 to be used only for making emergency replacements and repairs and necessary extensions and enlargements to the Waterworks and Sewerage System. In the event monies are drawn from this fund, the City will replenish the fund to $225,000 by making 24 equal monthly deposits into the fund in the 24 months immediately succeeding the use.

Interest Reserve Fund

Requirements - Initial transfer and credit of $500,000 and thereafter such amounts as appropriated by the Board of Alderman of the City from the Contingency Account, the General Fund of the City, or other available funds of the City. Monies in the Interest Reserve Fund shall be held and used by the City to make up any deficiency in any of the accounts or subaccounts in the Revenue Fund and may be withdrawn by the City at any time and applied to its general governmental purposes if not required to satisfy the City's rate covenant.

Contingency Fund

Requirements - amounts remaining in the revenue fund after disbursement to other funds based on individual fund requirements shall be deposited in the Contingency Fund for the purposes of paying the costs of improvements, extensions, or additions to the system, funding any account or sub-account in the revenue fund which is not fully funded, retiring bonds in advance of maturity, or for any lawful purpose in connection with the operation of the system and benefiting the system.

Rate Covenant

Requirements - the City will fix, establish, maintain and collect such rates, fees and charges for the use and services furnished by the Waterworks and Sewer System to provide revenues in each fiscal year to pay for the operating costs of the system, the bond principal and interest payments, and any required deposits. Such rates should generate available revenues (net revenues plus interest reserve fund monies) at least equal to 125% of the principal and interest requirements on all waterworks and sewerage system bonds during the fiscal year and net revenues at least equal to 100% of the principal and interest requirements on all waterworks and sewerage system revenue bonds during the fiscal year.

Series 2006A and B Certificate of Participation Reserve Fund

Requirements - initial deposit of $1,777,273 and $152,500 for the 2006A and 2006B, respectively, to be used for the payment of principal and interest on the bonds in the event of insufficient funds are available in the bond funds. In the event monies are drawn from these funds, the City will replenish the funds within twelve months of the date of such deficiency.

The City met all related debt reserve requirements.

10. Interfund Balances And Transfers

The following represents a reconciliation of transfers between individual funds for the year ended September 30, 2008:

	Transfers From	Transfers To	Net Transfers
Major Governmental Funds:			
General	$ 16,076,327	$ 25,000	$(16,051,327)
Transportation Trust	11,500	-	(11,500)
Special Allocation - City Centre	2,048,704	-	(2,048,704)
Debt Service	-	2,048,704	2,048,704
Capital Projects	-	204,373	204,373
Nonmajor Governmental Funds:			
Post Employment Benefits	-	434,000	434,000
Local Parks and Stormwater	-	4,500,000	4,500,000
Major Enterprise Funds:			
Waterworks/Sanitary Sewer	44,000	-	(44,000)
Solid Waste	48,500	9,654,954	9,606,454
Central Materials Processing Facility	20,500	-	(20,500)
Recreation	17,500	1,400,000	1,382,500
	$ 18,267,031	$ 18,267,031	$ -

Interfund transfers totaling $434,000 were used to fund post-retirement benefits to be paid on behalf of retirees.

A transfer totaling $9,654,954 was made to solid waste for service rebates.

A transfer totaling $4,500,000 was made to fund 370 Park Development.

A transfer totaling $1,400,000 was made to the Recreation Fund for expansion and operating support.

A transfer totaling $204,373 was made for the lakeside 370 project.

A transfer totaling $2,048,704 was made to the Debt Service Fund for the Series 1999 General Obligation Bonds.

A transfer totaling $25,000 was made to reimburse the general fund for a prior year transfer.

Individual fund interfund receivable and payable balances as of September 30, 2008 are as follows:

	Interfund Receivable	Interfund Payable
Major Governmental Funds:		
General	$ 527,780	$ -
Transportation Trust	-	884
Nonmajor Governmental Funds:		
Community Development Block Grant	-	65,942
Lakeside Redevelopment Special Allocation	-	2,502
Post Employment Benefits	16,410	14,650
Major Enterprise Funds:		
Waterworks/Sanitary Sewer	-	266,722
Solid Waste	-	80,902
Central Materials Processing Facility	-	11,282
Recreation	-	91,694
Fiduciary Funds:		
Other Post Employment Benefits Trust	6,798	16,410
	$ 550,988	$ 550,988

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

Interfund payables at September 30, 2008 include $91,694 in the Recreation Fund, $884 in the Transportation Trust Fund, $80,902 in the Solid Waste Fund, $25,280 in the Waterworks/Sanitary Sewer Fund and $11,282 in the Central Materials Processing Facility Fund are for reimbursement to the General Fund for insurance expense.

Interfund payable of $65,942 in the CDBG - Nonmajor Governmental Fund is for reimbursement to the General Fund for Community Development Block Grant Fund program costs incurred during fiscal year 2008.

Interfund payables of $7,852 in the Post Retirement Benefits, $2,502 in the Lakeside Redevelopment Special Allocation Fund and $241,442 in the Waterworks/Sanitary Sewer Fund are due to the elimination of negative cash balances.

Interfund payable of $6,798 in the Post Retirement Benefits - Nonmajor Governmental Fund is for monies collected from retirees during the month of September that will be sent to the Trust Fund in October.

Interfund payable of $16,410 in the other Post Employment Benefit Trust Fund is for reimbursement for insurance claims and premiums.

11. Joint Venture

In October 1985, the City of St. Peters, Missouri and the City of St. Charles, Missouri entered into a joint venture agreement to form the St. Peters - St. Charles Water Pipeline Project (the Joint Venture). The purpose of the Joint Venture is to construct and operate a water pipeline and appurtenant facilities from the Howard Bend Treatment Plant, owned and operated by the City of St. Louis, Missouri, to the separate facilities of the municipalities of St. Peters, Missouri and St. Charles, Missouri (the Owners), in order to adequately supply water by the pipeline to the citizens and businesses of the municipalities.

The Joint Venture is owned by the City of St. Peters, Missouri (31.8%) and the City of St. Charles, Missouri (68.2%). In accordance with the Joint Venture agreement, the City of St. Peters, Missouri is responsible for managing and accounting for the daily operations of the Joint Venture, except where concurrence of both cities is required. The Joint Venture receives all of its operating revenue from the water it sells to the Owners. The Owners financed the cost of construction of the pipeline and appurtenant facilities and, therefore, depreciation is excluded from the charges to the Owners. The cumulative investment in the Joint Venture by the City of St. Peters, Missouri through September 30, 2008 includes its proportionate share of water pipeline construction costs and an initial contribution to a water pipeline maintenance fund. Under terms of the Joint Venture agreement, additional contributions to maintain the water pipeline maintenance fund at an agreed-upon base amount may be required. The current base amount is $500,000 which may be increased to a maximum of $1,000,000 if maintenance costs so justify.

During the fiscal year 2008, the City of St. Peters, Missouri purchased water from the Joint Venture and paid related pumping charges totaling $479,847. These costs are included as operating expenses of the City's waterworks/sanitary sewer enterprise fund.

Condensed summary of financial information for the Joint Venture as of and for its fiscal year ended September 30, 2008 is as follows:

Assets	$ 6,976,874
Liabilities	$ 522,752
Parntership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Accumulated deficit:	
St. Peters	(851,289)
St. Charles	(1,825,719)
	$ 6,976,874
Operating revenue	$ 1,628,066
Operating expenses	(1,772,891)
Nonoperating revenue	37,572
Net Loss	$ (107,253)

The joint venture issues separate financial statements which may be obtained by writing to the St. Peters - St. Charles Water Pipeline Project, One St. Peters Centre Boulevard, St. Peters, Missouri 63376.

12. Insurance Programs

The City became self-insured with respect to workers' compensation, general liability and property and casualty insurance effective July 1, 1998 and medical insurance effective January 1, 1998. Unemployment compensation became effective in 1997. The estimated liability for payment of incurred (both reported and unreported) but unpaid claims relating to these matters is recorded in the general fund.

The City obtains periodic funding information from the claims-servicing company managing the self-insurance programs and adjusts the charges to the various funds as required to maintain the appropriate level of estimated claims liabilities. The City maintains excess liability coverages for workers' compensation, general liability, property and casualty and medical costs. Settled claims did not exceed commercial coverages for each of the past three fiscal years.

At September 30, 2008, the City's total estimated liability for payment of incurred (both reported and unreported) but unpaid claims for workers' compensation, property, and medical costs was $1,045,077.

Changes in the self-insured claims liabilities at September 30, 2008 and 2007 were as follows:

	Workers' Compensation/ General	Medical	Total
Balance - October 1, 2006	$ 495,729	$ 577,352	$ 1,073,081
Add: Current Year Claims And Changes in Estimate	512,319	2,629,561	3,141,880
Less: Claim Payments	430,729	2,606,913	3,037,642
Balance - September 30, 2007	577,319	600,000	1,177,319
Add: Current Year Claims And Changes in Estimate	350,290	2,706,550	3,056,840
Less: Claim Payments	482,532	2,706,550	3,189,082
Balance - September 30, 2008	$ 445,077	$ 600,000	$ 1,045,077

13. Postemployment Health Care Benefits

In accordance with City statutes, the City provides postemployment health care benefits to eligible employees who retire from the City while a subscriber or participant, who elect to receive benefits and have more than five (5) years of service prior to the date of retirement, and who have elected to continue coverage under the plan, together with the spouse of such retired employees. At September 30, 2008, the City provided this benefit to 34 retirees. The City provides a contribution on behalf of the retired employees and their spouses for health and/or dental insurance premiums based upon years of service.

Upon the retired employee participant's attainment of age sixty-five (65), coverage for such participant and his spouse shall only be supplemental to Medicare Parts A and B, regardless of whether the participant enrolls for Medicare Parts A and B.

During fiscal year 2008, the cost of postemployment benefits, net of retiree contributions, totaled approximately $254,000. The contributions for retirees and beneficiaries have been funded on a pay-as-you-go basis. During the current year, the City established a trust fund through a financial institution that was initially funded with approximately $7 million. The Trust will be used to account for post-employment health and dental benefits for eligible retirees.

14. Commitments And Contingencies

Litigation

A lawsuit captioned Great Rivers Habitat Alliance, et al., v. City of St. Peters, Missouri and the Missouri Attorney General, was filed on December 13, 2004 in Circuit Court of Cole County, Missouri, by five individuals and the Great Rivers Habitat Alliance (a Missouri benevolent corporation) seeking invalidation of the Lakeside 370 Business Park TIF Redevelopment Plan (Plan) and the Ordinances adopting that Plan for redevelopment. A motion to intervene was filed on behalf of the County of St. Charles on July 19, 2005 to join as a plaintiff and assert claims to invalidate the Plan and Ordinances. On September 1, 2005, the Plaintiffs filed an amended petition, joined by St. Charles County. The City and Missouri Attorney General requested the Court grant judgment against plaintiffs on plaintiffs' claims that the TIF Act was unconstitutional. On December 9, 2005, the Circuit Court entered judgment against plaintiffs and in favor of the City and Attorney General, holding that the TIF Act was not unconstitutional as alleged by plaintiffs. The City then filed a motion for summary judgment, requesting the Court enter judgment against all remaining claims of invalidity of the Plan and Ordinances. On January 19, 2006, the Circuit Court entered judgment against plaintiffs and in favor of the City upholding the validity of the Plan and Ordinances as against the challenges brought by the plaintiffs. On February 17, 2006, the City filed a motion to amend the judgment to include the payment by Plaintiffs of the City's attorneys' fees in defense of the action. On February 21, 2006, plaintiffs filed a motion before the Circuit Court requesting the Court reverse its January 19, 2006 judgment and permit a trial on the issues. On May 17, 2006, the Circuit Court entered its final judgment denying all post-trial motions. Plaintiffs appealed the Circuit Court's judgment to the Missouri Supreme Court, but on motion of the City for transfer, the Missouri Supreme Court declined to hear the case

and transferred the appeal to the Missouri Court of Appeals for the Western District of Missouri. Briefing on the appeal was completed and the appeal was argued on April 4, 2007. In March 2008, the Western District Court issued its Opinion reversing the grant of summary judgment and ordering a trial on the Plaintiffs' claims that the Ordinance and Plan were invalidly adopted. In May 2008, the trial court granted Plaintiffs' motion to compel discovery and subsequently overruled the City's motion for a protective order requesting relief from e-mail discovery. The City appealed the discovery ruling to the Western District Court of Appeals and the Missouri Supreme Court; both courts denied the City's request. No trial has been set for this case. As discovery is incomplete and due to the factual disputes involved counsel for the City if unable at this time to determine the likelihood of any final outcome or the financial impact, if any, to the City in the case of any adverse decision.

A lawsuit captioned Brian Hodak and Karla Hodak v. City of St. Peters, Mayor Tom Brown, Sgt. Timothy Kaiser, Sgt. Robert Treadway, Officer Charles Cason, was filed on August 19, 2004, in the Federal District Court, Eastern District of Missouri, seeking damages under the federal civil rights act, 42 U.S.C. § 1983, for alleged violation of constitutional rights of the Plaintiffs. Plaintiffs contended that, in connection with the October 18, 2002, arrest and issuance of charges against Brian Hodak for assault and resisting arrest, Brian Hodak's constitutional rights to be free from the use of excessive force, malicious prosecution and false imprisonment were violated. Plaintiffs further contended that the City and Mayor violated Plaintiffs' First Amendment rights by increasing City police presence around and revoking the liquor license of the bar run by Karla Hodak's company, H/N Planning & Control, Inc. (H/N) in retaliation for Brian Hodak's publication of letters regarding City matters. On February 16, 2006, the Federal Court entered summary judgment against Plaintiffs on their claims of malicious prosecution, false imprisonment and due process violations in connection with the liquor license revocation. Between March 6 and 13, 2006, a jury trial was held on the remaining claims. The jury returned verdicts against Brian Hodak on his claim that Sgt Timothy Kaiser used unconstitutionally excessive force in connection with Mr. Hodak's October 18, 2002 arrest and on his claim that Sgt. Robert Treadway and Officer Charles Cason violated Mr. Hodak's rights to be free from the use of excessive force by failing to intervene in the actions of Sgt. Kaiser. After the close of evidence, Plaintiffs dismissed their individual claims and substituted H/N as the party-Plaintiff in the claim for violation of First Amendment rights. The jury returned a verdict against the City and Mayor on this claim, awarding damages. In July, 2006, the Federal Court reversed the jury award on the claim of violation of First Amendment rights and ordered a re-trial of that claim. Brian Hodak was permitted to re-assert his personal claim of violation of First Amendment rights. Between November 6 and 14, 2006, a jury trial was held on the claims. The jury returned a verdict against Brian Hodak on his claim of First Amendment violations. The jury also returned a verdict against the City and Mayor on H/N's claim of First Amendment violations, awarding H/N $375,000 in compensatory damages against the City and Mayor and $1 million in punitive damages against the Mayor who may be indemnified by the City under certain circumstances. The City and Mayor filed post-trial motions seeking reversal of the awards to H/N and Plaintiffs filed post-trial motions seeking reversal of the awards against Brian Hodak; the Federal Court denied both motions and entered judgment in accordance with the

jury's verdicts. The City appealed the judgment to the Eighth Circuit Court of Appeal. On October 18, 2007, while the appeal was pending, the Federal Court ruled on all parties' claims for an award of attorneys' fees and costs under 42 U.S.C. § 1988. The Federal Court denied the request for fees by the City and Mayor and awarded H/N $179,334.44 in attorneys' fees and costs. The City and Mayor amended their appeal to include this award. On February 13, 2008, the Eighth Circuit Court of Appeals heard oral argument on the City's appeal. On July 30, 2008, the Eighth Circuit Court of Appeals reversed the judgment against the City, directing the trial court to dismiss H/N's claim. On October 6, 2008, the District Court dismissed H/N's claim in its entirety. On December 17, 2008, H/N filed a Petition for a Writ of Certiorari in the Supreme Court of the United States. On February 23, 2009, the Supreme Court of the United States denied the Petition for Writ of Certiorari. There is no further appeal remedy available for H/N.

In a prior year, the City accrued a liability in this matter in the amount of $1,375,000, which was included in claims payable in the Government-wide financial statements. As a result of the final outcome, the City has changed their estimate and removed the liability from the Government-wide financial statements.

The City is a defendant in a number of other lawsuits pertaining to matters which are incidental to performing routine governmental and other functions. Based on the current status of all of these legal proceedings, it is the opinion of management that they will not have a material effect on the City's financial position.

Federal Grants

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. It is the opinion of management that such reimbursements, if any, will not have a material effect on the City's financial position.

Commitments

The City has entered into construction and other contracts amounting to approximately $29 million at September 30, 2008.

Subsequent Events

Subsequent to September 30, 2008, the City issued additional Development Notes (Series A) totaling $3,285,000. The notes represent special, limited obligations of the City and are payable from pledged revenues as described in Note 6.

Subsequent to September 30, 2008, the City entered into construction commitments totaling approximately $3.5 million for construction and site improvement services for the new fleet maintenance and solid waste facility. This project will be funded with the proceeds from the Series 2007 General Obligation Bonds that were issued in November 2007.

Required Supplementary Information

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CITY OF ST. PETERS, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION
BUDGET BASIS - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget	Actual	
Revenues				
Sales tax	$ 11,750,000	$ 11,750,000	$ 11,566,809	$ (183,191)
Property tax	6,085,500	6,085,500	6,152,614	67,114
Utility franchise tax	3,160,000	3,160,000	3,412,725	252,725
Cigarette tax	200,000	200,000	254,592	54,592
Licenses and permits	1,166,000	1,166,000	1,526,797	360,797
Interest	300,000	300,000	452,225	152,225
Intergovernmental	3,848,400	3,626,400	3,813,447	187,047
Fines and forfeitures	1,944,000	1,844,000	2,298,424	454,424
Charges for services	415,850	465,850	633,402	167,552
Miscellaneous	245,000	245,000	295,993	50,993
Total Revenues	29,114,750	28,842,750	30,407,028	1,564,278
Expenditures				
General government	6,571,250	6,571,250	6,423,047	148,203
Administration	4,752,635	4,569,635	4,045,121	524,514
Police	10,343,600	10,343,600	9,915,933	427,667
Municipal court	513,100	453,100	413,461	39,639
Public works	2,972,380	2,972,380	2,894,842	77,538
Engineering	2,832,640	2,832,640	2,589,208	243,432
Maintenance	784,750	784,750	710,878	73,872
Health	701,190	701,190	681,640	19,550
Parks and recreation	4,624,770	4,631,270	4,410,761	220,509
Community relations	895,860	895,860	872,684	23,176
Community and arts	201,575	211,575	198,067	13,508
Capital outlay	2,300,800	2,119,800	1,461,073	658,727
Debt service:				
Principal	210,000	320,000	320,000	-
Interest and fiscal charges	120,500	120,500	120,620	(120)
Total Expenditures	37,825,050	37,527,550	35,057,335	2,470,215
Revenues Over (Under) Expenditures	(8,710,300)	(8,684,800)	(4,650,307)	4,034,493
Other Financing Sources (Uses):				
Transfers in	25,000	25,000	25,000	-
Transfers out	(15,717,000)	(15,817,000)	(16,076,327)	(259,327)
Proceeds from sale of capital assets	25,000,000	25,000,000	25,000,000	-
Total Other Financing Sources (Uses)	9,308,000	9,208,000	8,948,673	(259,327)
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	597,700	523,200	4,298,366	3,775,166
Fund Balances				
Budget basis:				
Unreserved:				
Beginning of year	8,326,443	8,326,443	8,326,443	-
Transfer from (to) reserved	296,700	146,700	(503,395)	(650,095)
End of year	9,220,843	8,996,343	12,121,414	3,125,071
Reserved:				
Beginning of year	4,023,239	4,023,239	4,023,239	-
Transfer from (to) unreserved	(296,700)	(146,700)	503,395	650,095
End of Year	3,726,539	3,876,539	4,526,634	650,095
Budget basis, end of year	$ 12,947,382	$ 12,872,882	16,648,048	$ 3,775,166
Budget basis grant revenue			(424,920)	
Encumbrances, end of year			733,673	
Property tax - deferred revenue, end of year			(199,263)	
GAAP basis, end of year			$ 16,757,538	

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

CITY OF ST. PETERS, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION
BUDGET BASIS - TRANSPORTATION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget	Actual	
Revenues				
Sales tax	$ 5,875,000	$ 5,875,000	$ 5,783,416	$ (91,584)
Interest	200,000	200,000	290,558	90,558
Intergovernmental	4,722,000	5,786,000	4,468,978	(1,317,022)
Miscellaneous	160,000	160,000	17,605	(142,395)
Total Revenues	10,957,000	12,021,000	10,560,557	(1,460,443)
Expenditures				
Public works	4,440,780	4,440,780	4,527,294	(86,514)
Street construction	8,317,700	14,501,700	9,264,934	5,236,766
Debt service	1,000,000	1,500,000	-	1,500,000
Total Expenditures	13,758,480	20,442,480	13,792,228	6,650,252
Revenues Over (Under) Expenditures	(2,801,480)	(8,421,480)	(3,231,671)	5,189,809
Other Financing Sources (Uses):				
Transfers out	(11,500)	(11,500)	(11,500)	-
Proceeds from the sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses):	(11,500)	(11,500)	(11,500)	-
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,812,980)	(8,432,980)	(3,243,171)	5,189,809
Fund Balances				
Budget basis:				
Unreserved:				
Beginning of year	9,588,873	9,588,873	9,588,873	-
Transfer from (to) reserved	-	-	(1,500,000)	(1,500,000)
End of year	6,775,893	1,155,893	4,845,702	3,689,809
Reserved:				
Beginning of year	-	-	-	-
Transfer from (to) reserved	-	-	1,500,000	1,500,000
End of year	-	-	1,500,000	1,500,000
Budget basis, end of year	$ 6,775,893	$ 1,155,893	6,345,702	$ 5,189,809
Budget basis grant revenue			(3,636,643)	
Encumbrances, end of year			7,656,911	
GAAP basis, end of year			$ 10,365,970	

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

CITY OF ST. PETERS, MISSOURI

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION
BUDGET BASIS - SPECIAL ALLOCATION FUND - CITY CENTRE
FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget	Actual	
Revenues				
Sales tax	$ 2,525,000	$ 2,525,000	$ 2,481,415	$ (43,585)
Property tax	2,450,000	2,450,000	2,619,053	169,053
Utility franchise tax	-	-	3,223	3,223
Interest	120,000	120,000	172,746	52,746
Total Revenues	5,095,000	5,095,000	5,276,437	181,437
Expenditures				
General government	50,000	974,415	964,935	9,480
Debt service	707,000	707,000	708,433	(1,433)
Total Expenditures	757,000	1,681,415	1,673,368	8,047
Revenues Over (Under) Expenditures	4,338,000	3,413,585	3,603,069	189,484
Other Financing Uses:				
Transfers out	(2,048,800)	(2,048,800)	(2,048,704)	96
Total Other Financing Uses:	(2,048,800)	(2,048,800)	(2,048,704)	96
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	2,289,200	1,364,785	1,554,365	189,580
Fund Balances				
Budget basis:				
Unreserved:				
Beginning of year	1,311,793	1,311,793	1,311,793	-
Transfers from (to) reserved	(1,320,000)	(350,000)	(572,560)	(222,560)
End of year	2,280,993	2,326,578	2,293,598	(32,980)
Reserved:				
Beginning of year	3,276,765	3,276,765	3,276,765	-
Transfers from (to) reserved	1,320,000	350,000	572,560	222,560
End of year	4,596,765	3,626,765	3,849,325	222,560
Budget basis, end of year	$ 6,877,758	$ 5,953,343	6,142,923	$ 189,580
Encumbrances, end of year			-	
GAAP basis, end of year			$ 6,142,923	

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

NOTES TO BUDGETARY COMPARISON INFORMATION
SEPTEMBER 30, 2008

Budgetary Process

The Board of Aldermen follow the procedures outlined below in establishing the budgetary data reflected in the financial statements:

1. On or before August 1, the City Administrator submits to the Mayor and Board of Aldermen a proposed operating budget for the general, special revenue (excluding NID), and debt service funds for the fiscal year commencing the following October 1. In addition, budgets for the waterworks/sanitary sewer, solid waste, central materials processing facility and recreation enterprise fund operations are prepared on a basis similar to that of the general governmental funds in order to better manage these operations. The operating budgets include proposed expenditures and the means of financing them. Expenditures may not legally exceed appropriations at the fund level.

2. The annual operating budgets are approved through the adoption of the budget ordinance by the affirmative vote of a majority of the members of the Board of Aldermen and approval by the Mayor on or before September 1 of the preceding budget year. If the budgets have not been passed and approved on or before the last day preceding the budget year (September 30), the budgets and appropriations for the current fiscal year shall be deemed to be rebudgeted and reappropriated for the budget year until a new budget is adopted and approved.

3. The City Administrator is authorized to transfer part, or all, of any unexpended balance among any departments within a given fund.

4. If it is determined that the original budgeted revenues and expenditures need to be increased or decreased, the Board of Aldermen may, by ordinance, make such changes in budgeted revenues and expenditures so long as the total budgeted expenditures do not exceed the amount of budgeted revenues plus beginning unencumbered fund balance.

5. If it appears probable that revenues available will be insufficient to meet the amount appropriated, the Board of Aldermen may, by ordinance, reduce one or more appropriations.

6. Unencumbered appropriations lapse at year end.

NOTES TO BUDGETARY COMPARISON INFORMATION (CONTINUED)
SEPTEMBER 30, 2008

The budgets for the general fund, the special revenue funds, and debt service funds are adopted on a basis which is consistent with accounting principles generally accepted in the United States of America (GAAP), except for the following:

- For GAAP purposes, expenditures are recognized primarily as incurred, whereas the City's budget basis recognizes encumbrances outstanding at year end as expenditures of the current period.

- In the special revenue funds, certain nonexchange intergovernmental revenue is recognized differently for GAAP and budget basis purposes due to the related recognition (encumbrance) of reimbursable expenditures discussed above.

- Property tax revenue is recognized in the period for which it is levied, to the extent it is collected within the current period or expected to be collected within 60 days following the end of the fiscal period on a GAAP basis. Property tax revenue not received at year end is recorded as deferred revenue. Property tax revenue is recognized on a budget basis at the point in time that the tax is levied.

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF FUNDING PROGRESS
SEPTEMBER 30, 2008

The following required supplementary information relates to the City of St. Peters' participation in Missouri LAGERS, an agent multiple-employer public retirement system.

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Accrued Liability	(b-a) Unfunded Accrued Liability (UAL)	(a/b) Funded Ratio	(c) Annual Covered Payroll	[(b-a)/c] UAL as a Percentage of Covered Payroll
February 28, 2001	$ 22,914,427	$ 23,587,920	$ 673,493	97%	$ 16,405,237	4%
February 28, 2002	26,095,648	34,790,135	8,694,487	75%	16,869,756	52%
February 28, 2003	28,371,495	38,701,789	10,330,294	73%	17,609,354	59%
February 28, 2004	31,388,499	42,491,859	11,103,360	74%	18,195,286	61%
February 28, 2005	35,295,426	46,959,411	11,663,985	75%	18,874,777	62%
February 28, 2006	39,749,391	51,233,320	11,483,929	78%	19,479,944	59%
February 28, 2007	44,119,819	54,773,026	10,653,207	81%	20,124,825	53%
February 28, 2008	49,907,598	61,324,981	11,417,383	81%	21,817,121	52%

Note: The above assets and actuarial accrued liability do not include the assets and present value of benefits associated with the Benefit Reserve Fund and the Casualty Reserve Fund. The actuarial assumptions were changed in conjunction with the February 28, 2006 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

Other Supplementary Information

Combining And Individual Fund Financial Statements And Schedules

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Nonmajor Governmental Funds
Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Drug Enforcement Agency Fund - Used to account for Federal grant proceeds and other revenues restricted for drug-related law enforcement purposes.

Sewer Lateral Repair Program Fund - Used to account for money received from assessments on all residential property with six or less dwelling units. This money is used to repair defective lateral sewer service lines.

Special Allocation Fund - Old Town - Used to account for revenues generated by the Old Town TIF district.

Special Allocation Fund -Lakeside Redevelopment - Used to account for revenues generated by the Lakeside Redevelopment TIF district for the payment of debt service and other TIF related expenditures.

Community Development Block Grant Fund - Used to account for federal grant proceeds that provides assistance to low and moderate income persons.

Neighborhood Improvement District Fund - Used to account for the use of bond proceeds for infrastructure improvements in the Crown Colony Phase One neighborhood improvement district.

Local Parks And Stormwater Fund - Used to account for one-tenth sales tax revenue and grant proceeds to be used for park and stormwater projects.

Post Employment Benefits Fund - Used to account for City and employee contributions on behalf of retired employees and spouses for health and/or dental insurance premiums.

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CITY OF ST. PETERS, MISSOURI

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2008

	Drug Enforcement Agency Fund	Sewer Lateral Repair Program Fund	Special Allocation Funds: Old Town	Special Allocation Funds: Lakeside Redevelop-ment	Community Development Block Grant Fund	Neighborhood Improvement District Fund	Local Parks and Stormwater Fund	Post Employment Benefits Fund	Total
Assets:									
Cash and cash investments:									
Held by trustees	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unrestricted	49,824	1,735,086	2,904,854	57,365	-	836	6,038,244	-	10,786,209
Restricted	-	-	-	-	-	-	-	-	-
Receivables, net of allowances where applicable:									
Taxes	-	-	-	23,891	-	-	92,028	-	115,919
Intergovernmental	-	-	-	-	65,942	-	-	-	65,942
Accrued interest	-	4,750	2,230	-	-	-	2,675	-	9,655
Other	-	6,020	14,589	2	193,468	42,385	-	1,251	257,715
Due from other funds	-	-	-	-	-	-	-	16,410	16,410
Long-term receivables	-	-	-	-	806,132	-	-	-	806,132
Total Assets	49,824	1,745,856	2,921,673	81,258	1,065,542	43,221	6,132,947	17,661	12,057,982
Liabilities and Fund Balances:									
Liabilities:									
Accounts payable	-	5,586	-	-	-	-	7,911	3,011	16,508
Accrued liabilities	-	820	-	-	-	-	-	-	820
Deposits/guarantee bonds	-	1,500	-	-	-	-	34,680	-	36,180
Due to other funds	-	-	-	2,502	65,942	-	-	14,650	83,094
Deferred revenue	-	-	-	-	-	42,160	-	-	42,160
Total Liabilities	-	7,906	-	2,502	65,942	42,160	42,591	17,661	178,762
Fund Balances:									
Reserved for:									
Encumbrances	-	-	24,237	-	-	-	256,918	-	281,155
Capital projects	-	-	-	-	-	-	4,980,000	-	4,980,000
Long-term loans	-	-	-	-	806,132	-	-	-	806,132
Unreserved, reported in:									
Special revenue funds	49,824	1,737,950	2,897,436	78,756	193,468	1,061	853,438	-	5,811,933
Total Fund Balances	49,824	1,737,950	2,921,673	78,756	999,600	1,061	6,090,356	-	11,879,220
Total Liabilities and Fund Balances	$ 49,824	$ 1,745,856	$ 2,921,673	$ 81,258	$ 1,065,542	$ 43,221	$ 6,132,947	$ 17,661	$ 12,057,982

CITY OF ST. PETERS, MISSOURI

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Drug Enforcement Agency Fund	Sewer Lateral Repair Program Fund	Special Allocation Funds		Community Development Block Grant Fund	Neighborhood Improvement District Fund	Local Parks and Stormwater Fund	Post Employment Benefits Fund	Total
			Old Town	Lakeside Redevelop-ment					
Revenues:									
Sales tax	$ -	$ -	$ 305,890	$ 5,835	$ -	$ -	$ 1,142,294	$ -	$ 1,454,019
Property tax	-	-	506,755	29,155	-	-	-	-	535,910
Interest	1,458	53,124	84,795	1,758	-	85	41,424	71,748	254,392
Intergovernmental	-	-	-	-	200,700	-	43,460	-	244,160
Charges for services	-	511,151	-	-	32,116	-	-	-	543,267
Miscellaneous	33,445	-	-	-	-	6,975	9,886	50,916	101,222
Total Revenues	34,903	564,275	897,440	36,748	232,816	7,060	1,237,064	122,664	3,132,970
Expenditures:									
General government	-	-	131,183	9,473	234,569	-	-	3,432,375	3,807,600
Public works	-	292,501	69,728	-	-	-	552,557	-	914,786
Parks and recreation	-	-	-	-	-	-	163,818	-	163,818
Capital outlay	119,360	-	-	-	-	-	178,557	-	297,917
Debt service:									
Principal retirement	-	-	-	-	-	4,000	-	-	4,000
Interest and fiscal charges	-	-	-	-	-	2,535	-	-	2,535
Total Expenditures	119,360	292,501	200,911	9,473	234,569	6,535	894,932	3,432,375	5,190,656
Other Financing Sources									
Transfers in	-	-	-	-	-	-	4,500,000	434,000	4,934,000
Total Other Financing Sources	-	-	-	-	-	-	4,500,000	434,000	4,934,000
Net Changes In Fund Balances	(84,457)	271,774	696,529	27,275	(1,753)	525	4,842,132	(2,875,711)	2,876,314
Fund Balances:									
Beginning of year	134,281	1,466,176	2,225,144	51,481	1,001,353	536	1,248,224	2,875,711	9,002,906
End of year	$ 49,824	$ 1,737,950	$ 2,921,673	$ 78,756	$ 999,600	$ 1,061	$ 6,090,356	$ -	$11,879,220

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - BUDGETED NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Drug Enforcement Agency Fund			Sewer Lateral Repair Program Fund			Special Allocation Fund - Old Town		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:									
Sales tax	$ -	$ -	$ -	$ -	$ -	$ -	$ 322,000	$ 305,890	$ (16,110)
Property tax	-	-	-	-	-	-	480,000	506,755	26,755
Utility franchise tax	-	-	-	-	-	-	3,000	-	(3,000)
Interest	-	1,458	1,458	-	53,124	53,124	15,000	84,795	69,795
Charges for services	-	-	-	500,000	511,151	11,151	-	-	-
Miscellaneous	-	33,445	33,445	-	-	-	-	-	-
Total Revenues	-	34,903	34,903	500,000	564,275	64,275	820,000	897,440	77,440
Expenditures:									
General government	-	-	-	-	-	-	134,295	131,183	3,112
Public works	-	-	-	543,000	292,501	250,499	100,000	54,383	45,617
Capital outlay	3,500	3,500	-	-	-	-	-	-	-
Total Expenditures	3,500	3,500	-	543,000	292,501	250,499	234,295	185,566	48,729
Revenues Over (Under) Expenditures	(3,500)	31,403	34,903	(43,000)	271,774	314,774	585,705	711,874	126,169
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	18,421	18,421	-	1,466,176	1,466,176	-	2,185,562	2,185,562	-
End of year	14,921	49,824	34,903	1,423,176	1,737,950	314,774	2,771,267	2,897,436	126,169
Budget basis, end of year	$ 14,921	49,824	$ 34,903	$ 1,423,176	1,737,950	$ 314,774	$ 2,771,267	2,897,436	$ 126,169
Encumbrances, end of year		-			-			24,237	
GAAP basis, end of year		$ 49,824			$ 1,737,950			$ 2,921,673	

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - BUDGETED NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Special Allocation Fund - Lakeside Redevelopment			Community Development Block Grant Fund			Local Parks and Storm Water Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:									
Sales tax	$ 6,800	$ 5,835	$ (965)	$ -	$ -	$ -	$ 1,175,000	$ 1,142,294	$ (32,706)
Property tax	31,000	29,155	(1,845)	-	-	-	-	-	-
Interest	1,500	1,758	258	-	-	-	20,000	41,424	21,424
Intergovernmental	-	-	-	261,600	200,700	(60,900)	50,000	50,000	-
Charges for services	-	-	-	-	32,116	32,116	-	-	-
Miscellaneous	-	-	-	-	-	-	-	9,886	9,886
Total Revenues	39,300	36,748	(2,552)	261,600	232,816	(28,784)	1,245,000	1,243,604	(1,396)
Expenditures:									
General government	14,503	9,473	5,030	261,600	232,816	28,784	-	-	-
Capital outlay	-	-	-	-	-	-	589,400	399,451	189,949
Public works	-	-	-	-	-	-	477,500	347,000	130,500
Parks and recreation	-	-	-	-	-	-	193,000	163,820	29,180
Total Expenditures	14,503	9,473	5,030	261,600	232,816	28,784	1,259,900	910,271	349,629
Other Financing Sources									
Transfers in	-	-	-	-	-	-	4,500,000	4,500,000	-
Total Other Financing Sources	-	-	-	-	-	-	4,500,000	4,500,000	-
Revenues Over (Under) Expenditures	24,797	27,275	2,478	-	-	-	4,485,100	4,833,333	(351,025)
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	51,481	51,481	-	-	-	-	730,105	730,105	-
Transfers from (to) reserved	-	-	-	-	-	-	(4,985,000)	(4,985,000)	-
End of year	76,278	78,756	2,478	-	-	-	230,205	578,438	(351,025)
Reserved:									
Beginning of year	-	-	-	-	-	-	320,000	320,000	-
Transfers from (to) reserved	-	-	-	-	-	-	4,985,000	4,985,000	-
End of year	-	-	-	-	-	-	5,305,000	5,305,000	-
Budget basis, end of year	$ 76,278	78,756	$ 2,478	$ -	-	$ -	$ 5,535,205	5,883,438	$ (351,025)
Budget basis grant income		-			-			(50,000)	
GAAP basis receivable		-			999,600			-	
Encumbrances, end of year		-			-			256,918	
GAAP basis, end of year		$ 78,756			$ 999,600			$ 6,090,356	

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGET BASIS - BUDGETED NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Post-Employment Benefits Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Interest	$ 174,000	$ 71,748	$ (102,252)
Miscellaneous	94,500	50,916	(43,584)
Total Revenues	268,500	122,664	(145,836)
Expenditures:			
General government	3,578,211	3,432,375	145,836
Total Expenditures	3,578,211	3,432,375	145,836
Revenues Over (Under) Expenditures	(3,309,711)	(3,309,711)	-
Other Financing Sources			
Transfers in	434,000	434,000	-
Total Other Financing Sources	434,000	434,000	-
Revenues and Other Financing Sources Over Expenditures	(2,875,711)	(2,875,711)	-
Fund Balances:			
Budget basis:			
Unreserved:			
Beginning of year	2,875,711	2,875,711	-
End of year	-	-	-
Budget basis, end of year	$ -	-	$ -
GAAP basis, end of year		$ -	

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL - BUDGET BASIS - DEBT SERVICE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Property tax	$ 2,592,700	$ 2,633,533	$ 40,833
Interest	150,000	109,704	(40,296)
Miscellaneous	-	34,345	34,345
Total Revenues	2,742,700	2,777,582	34,882
Expenditures:			
Debt service	3,729,000	3,715,031	13,969
Total Expenditures	3,729,000	3,715,031	13,969
Revenues Over Expenditures	(986,300)	(937,449)	48,851
Other Financing Sources			
Transfers in	2,048,800	2,048,704	(96)
Total Other Financing Sources	2,048,800	2,048,704	(96)
Revenues and Other Financing Sources Over Expenditures	1,062,500	1,111,255	48,755
Fund Balances:			
Budget basis:			
Unreserved:			
Beginning of year	2,436,832	2,436,832	-
End of year	3,499,332	3,548,087	48,755
Budget basis, end of year	$ 3,499,332	3,548,087	$ 48,755
Property tax - deferred revenue, end of year		(89,524)	
GAAP basis, end of year		$ 3,458,563	

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - BUDGET BASIS - ENTERPRISE FUND - WATERWORKS/SANITARY SEWER FUND - (UTILITY OPERATING FUND) FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Water and sewer	$ 7,370,000	$ 7,342,147	$ (27,853)
Interest	150,000	202,023	52,023
Intergovernmental	40,000	40,000	-
Miscellaneous	1,271,500	1,283,511	12,011
Total Revenues	8,831,500	8,867,681	36,181
Expenses:			
Personnel costs	3,278,620	3,209,419	69,201
Utilities	538,050	469,834	68,216
Purchased water	600,000	480,153	119,847
Wastewater treatment costs	140,000	121,539	18,461
Repairs and maintenance	600,940	612,411	(11,471)
Chemicals and supplies	323,100	243,061	80,039
Professional services	623,000	512,076	110,924
Supplies and other	220,650	215,430	5,220
Insurance	42,000	175,830	(133,830)
Gasoline and fuel	100,000	124,957	(24,957)
Rent	38,500	7,428	31,072
Bad debt	54,000	34,826	19,174
Miscellaneous	432,000	428,289	3,711
Total Expenses	6,990,860	6,635,253	355,607
Net Revenues Before Capital Expenditures and Debt Service and Fees	1,840,640	2,232,428	391,788
Capital Expenditures	3,085,900	3,049,110	36,790
Debt Service and Fees	1,550,000	1,549,120	880
Revenues Over (Under) Expenses	$ (2,795,260)	$ (2,365,802)	$ 429,458

* The City adopts a separate budget for the utility operating fund (part of the waterworks/sanitary sewer enterprise fund). Actual amounts presented above include amounts encumbered at year end, which are treated as expenditures for purposes of the budget to actual comparison. Additionally, capital expenditures and bond principal payments are recognized as expenses for budget purposes.

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - BUDGET BASIS - ENTERPRISE FUND - SOLID WASTE FUND - FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Trash collection	$ 4,405,000	$ 4,505,692	$ 100,692
Miscellaneous	105,000	114,997	9,997
Interest	3,000	3,381	381
Total Revenues	4,513,000	4,624,070	111,070
Expenses:			
Personnel costs	1,885,665	1,822,477	63,188
Utilities	16,400	12,681	3,719
Landfill fees	992,000	984,291	7,709
Repairs and maintenance	283,050	274,401	8,649
Capital expenditures	568,980	556,933	12,047
Chemicals and supplies	7,500	1,852	5,648
Professional services	22,200	14,888	7,312
Supplies and other	46,160	44,325	1,835
Insurance	24,000	61,840	(37,840)
Gasoline and fuel	246,000	261,635	(15,635)
Rent	9,150	4,694	4,456
Bad debt	26,000	15,893	10,107
Miscellaneous	229,000	231,066	(2,066)
Total Expenses	4,356,105	4,286,976	69,129
Revenues Over Expenses	$ 156,895	$ 337,094	$ 180,199

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - BUDGET BASIS - ENTERPRISE FUND - CENTRAL MATERIALS PROCESSING FACILITY FUND FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Tipping fees	$ 1,575,500	$ 1,809,163	$ 233,663
Recycling fees	1,270,500	1,542,071	271,571
Earth Centre	281,000	294,709	13,709
Intergovernmental	-	2,375	2,375
Interest	40,000	35,986	(4,014)
Miscellaneous	16,000	35,529	19,529
Total Revenues	3,183,000	3,719,833	536,833
Expenses:			
Personnel costs	1,447,585	1,303,186	144,399
Landfill fees	1,339,000	1,301,970	37,030
Utilities	68,900	56,589	12,311
Capital expenditures	168,750	135,398	33,352
Professional services	121,350	46,283	75,067
Repairs and maintenance	91,250	128,402	(37,152)
Insurance	22,000	11,495	10,505
Gasoline and fuel	41,400	41,189	211
Supplies and other	308,780	287,117	21,663
Total Expenses	3,609,015	3,311,629	297,386
Revenues Over (Under) Expenses	$ (426,015)	$ 408,204	$ 834,219

CITY OF ST. PETERS, MISSOURI

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL - BUDGET BASIS - ENTERPRISE FUND - RECREATION FUND FOR THE YEAR ENDED SEPTEMBER 30, 2008

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Recreation	$ 4,586,500	$ 4,608,746	$ 22,246
Interest	106,200	74,747	(31,453)
Total Revenues	4,692,700	4,683,493	(9,207)
Expenses:			
Personnel costs	2,424,275	2,172,890	251,385
Utilities	726,800	723,245	3,555
Repairs and maintenance	132,995	117,956	15,039
Capital expenditures	319,150	287,861	31,289
Chemicals and supplies	40,500	42,532	(2,032)
Professional services	346,850	349,502	(2,652)
Supplies and other	224,975	246,377	(21,402)
Concessions	159,000	147,419	11,581
Insurance	109,000	105,575	3,425
Miscellaneous	39,950	61,712	(21,762)
Total Expenses	4,523,495	4,255,069	268,426
Net Revenues Before Debt Service and Fees	169,205	428,424	259,219
Debt Service and fees	940,500	942,296	(1,796)
Revenues Over (Under) Expenses	$ (771,295)	$ (513,872)	$ 257,423

City of St. Peters

CITY OF ST. PETERS, MISSOURI

Statistical Section

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

Contents **Page**

Financial Trends

These pages contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 86 - 90

Revenue Capacity

These pages contain information to help the reader assess the City's most significant local revenue sources. 91 - 96

Debt Capacity

These pages present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 97 - 101

Demographic and Economic Information

These pages offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 102 - 103

Operating Information

These pages contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 104 - 106

Sources: Unless otherwise noted, the information in this section is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities						
Invested in capital assets, net of related debt	$ 17,817,073	$ 38,538,859	$ 48,650,137	$ 241,816,941	$ 239,665,381	$ 220,878,960
Restricted for capital projects	3,144,994	1,637,801	7,119,355	14,774,979	8,176,260	8,502,836
Restricted for debt service	1,860,174	2,034,833	2,847,740	1,307,849	2,436,832	8,897,412
Restricted for other purposes	2,056,942	2,169,874	-	-	-	-
Unrestricted	19,425,271	19,350,046	15,789,770	21,251,441	17,868,604	21,207,143
Total governmental activities net assets	$ 44,304,454	$ 63,731,413	$ 74,407,002	$ 279,151,210	$ 268,147,077	$ 259,486,351
Business-type activities						
Invested in capital assets, net of related debt	$ 19,933,025	$ 20,257,573	$ 20,726,775	$ 22,491,148	$ 29,209,873	$ 39,970,976
Restricted for capital projects	-	-	-	-	3,363,721	-
Restricted for debt service	4,700,413	5,290,157	5,684,152	6,990,365	9,394,406	7,124,858
Restricted for other purposes	-	-	-	-	-	-
Unrestricted	11,161,512	10,573,701	11,174,468	9,580,106	11,604,597	17,268,704
Total business-type activities net assets	$ 35,794,950	$ 36,121,431	$ 37,585,395	$ 39,061,619	$ 53,572,597	$ 64,364,538
Primary government						
Invested in capital assets, net of related debt	$ 37,750,098	$ 58,796,402	$ 69,376,912	$ 264,308,089	$ 268,875,254	$ 260,849,936
Restricted for capital projects	3,144,994	1,637,801	7,119,355	14,774,979	11,539,981	8,502,836
Restricted for debt service	6,560,587	7,324,990	8,531,892	8,298,214	11,831,238	16,022,270
Restricted for other purposes	2,056,942	2,169,874	-	-	-	-
Unrestricted	30,586,783	29,923,747	26,964,238	30,831,547	29,473,201	38,475,847
Total primary government net assets	$ 80,099,404	$ 99,852,814	$ 111,992,397	$ 318,212,829	$ 321,719,674	$ 323,850,889

Note: The City began to report accrual information when it implemented GASB statement 34 in fiscal 2003. During fiscal year 2007 the City changed the accounting for the Recreation Fund from a governmental fund to an enterprise fund.

Source: Basic financial statements

CITY OF ST. PETERS, MISSOURI

TABLE 2

CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activites:						
General government	$ 1,918,385	$ 2,480,263	$ 3,153,690	$ 4,414,387	$ 4,101,069	$ 10,605,639
Administration	5,813,016	5,262,781	5,142,485	4,679,329	4,440,371	4,439,076
Police	8,586,747	8,520,256	9,106,695	9,626,373	9,814,498	10,358,838
Municipal court	294,193	324,357	355,325	360,009	369,667	417,285
Public works	5,456,970	4,771,304	6,719,849	11,304,991	17,293,048	10,321,657
Engineering	2,012,693	2,139,381	2,070,918	2,584,427	2,469,174	2,630,888
Maintenance	878,392	799,725	729,378	967,257	756,069	727,250
Health	564,390	591,484	577,925	582,359	581,024	709,702
Parks and Recreation	8,092,134	8,789,938	8,845,727	9,112,915	5,517,854	5,279,526
Community Relations	807,688	855,073	826,583	876,912	960,770	962,461
Community & Arts	366,784	310,754	290,478	256,880	268,835	277,631
Interest on long term debt	2,265,041	1,983,033	2,148,903	2,748,833	2,117,537	2,258,848
Total governmental activities expenses	37,056,433	36,828,349	39,967,956	47,514,672	48,689,916	48,988,801
Business-type activities:						
Waterworks/Sanitary Sewer	7,189,717	7,944,078	8,136,178	8,439,318	8,782,669	9,857,448
Solid Waste	2,871,588	3,176,106	3,367,321	3,558,062	4,043,387	4,182,408
Public improvement corporation	764,809	1,149,042	1,156,686	1,100,309	840,568	608,613
Central Materials Processing Facility	3,528,825	3,142,558	3,306,561	3,381,029	3,408,096	3,411,717
Recreation	-	-	-	-	6,122,627	6,453,216
Total business-type activities expenses	14,354,939	15,411,784	15,966,746	16,478,718	23,197,347	24,513,402
Total primary government expenses	$ 51,411,372	$ 52,240,133	$ 55,934,702	$ 63,993,390	$ 71,887,263	$ 73,502,203
Program Revenues						
Governmental activities:						
Charges for services:						
General government	$ 893,171	$ 1,274,215	$ 1,434,577	$ 2,082,925	$ 1,819,527	$ 1,709,498
Police	1,433,807	1,689,862	1,595,803	2,238,900	1,768,839	2,562,532
Public works	7,009	5,440	516,937	718,062	524,412	540,181
Health	10,972	11,629	11,652	21,400	20,359	22,425
Parks and recreation	3,290,389	3,567,199	3,331,353	3,743,865	26,730	25,851
Community relations	86,683	88,480	94,279	90,591	92,471	72,887
Community & Arts	111,211	103,348	123,875	124,970	114,390	177,196
Operating grants and contributions	3,310,766	3,539,346	3,534,260	3,623,735	3,813,207	3,496,262
Capital grants and contributions	3,951,170	6,235,077	4,094,689	7,785,280	5,767,781	4,000,088
Total governmental activities program revenues	13,095,178	16,514,596	14,737,425	20,429,728	13,947,716	12,606,920
Business-type activities:						
Charges for services:						
Waterworks/Sanitary sewer	7,227,302	7,495,672	8,384,200	8,580,469	9,728,781	9,370,782
Solid waste	2,836,216	3,147,922	3,636,949	3,974,228	4,325,591	4,622,677
Public improvement corporation	-	-	-	-	844,102	819,785
Central materials processing facility	3,637,223	3,508,675	3,240,202	3,021,534	3,399,577	3,703,035
Recreation	-	-	-	-	3,656,297	4,608,748
Operating grants and contributions	758,055	868,789	1,293,479	1,255,040	-	-
Capital grants and contributions	298,427	630,212	530,759	234,097	559,515	137,719
Total business-type activities program revenues	14,757,223	15,651,270	17,085,589	17,065,368	22,513,863	23,262,746
Total primary government program revenues	$ 27,852,401	$ 32,165,866	$ 31,823,014	$ 37,495,096	$ 36,461,579	$ 35,869,666

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. During fiscal year 2007 the City changed the accounting for the Recreation Fund from a governmental fund to an enterprise fund.

Source: Basic financial statements.

CITY OF ST. PETERS, MISSOURI

TABLE 2

CHANGES IN NET ASSETS (continued)

LAST SIX FISCAL YEARS

(accrual basis of accounting)

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Net (Expense)/Revenue						
Governmental activies	$ (23,961,255)	$ (20,313,753)	$ (25,230,531)	$ (27,084,944)	$ (34,742,200)	$ (36,381,881)
Business-type activities	402,284	239,486	1,118,843	586,650	(683,484)	(1,250,656)
Total primary government net expense	$ (23,558,971)	$ (20,074,267)	$ (24,111,688)	$ (26,498,294)	$ (35,425,684)	$ (37,632,537)
General Revenues and Other Changes in Net Assets						
Governmental activies:						
Taxes						
Property taxes levied for general purposes	$ 5,319,788	$ 5,345,877	$ 5,444,307	$ 5,754,221	$ 5,972,329	$ 6,152,614
Property taxes levied for debt service	2,067,646	2,244,013	2,277,665	2,460,820	2,563,201	2,633,533
Property taxes levied for tax increment financing districts	1,435,396	1,832,303	2,542,597	2,857,283	2,915,222	3,154,963
Sales taxes levied for general purposes	10,510,456	10,957,062	11,350,867	11,416,073	11,344,811	11,566,809
Sales taxes levied for transportation purposes	5,255,188	5,478,536	5,675,421	5,706,975	5,673,491	5,783,416
Sales taxes levied for Park and Storm Water Purposes	1,036,575	1,081,465	1,120,688	1,126,750	1,120,066	1,142,294
Sales taxes levied for Tax increment Financing Districts	1,951,088	2,182,219	2,422,100	2,767,595	2,840,130	2,793,140
Franchise and publie service taxes	2,692,959	2,823,306	3,073,690	3,269,630	3,364,976	3,415,948
Sewer lateral repair fee	-	480,541	-	-	-	-
Earnings on investments	767,316	354,629	794,416	2,220,645	2,095,392	1,488,010
Other revenue	1,430,292	479,869	516,637	1,423,234	2,388,254	514,882
Gain (loss) on sale of security	-	117,714	-	-	-	-
Gain on Sale of Capital Assets	(108,304)	237,001	-	20,328,060	66,490	-
Transfers	-	120,400	61,000	72,500	238,193	(10,924,454)
Total governmental activities	32,358,400	33,734,935	35,279,388	59,403,786	40,582,555	27,721,155
Business-type activities:						
Earnings on investments	142,102	207,395	406,121	759,658	1,462,516	763,109
Gain (loss) on sale of capital assets	-	-	-	202,416	58,019	355,034
Transfers	-	(120,400)	(61,000)	(72,500)	(238,193)	10,924,454
Total business-type activities	142,102	86,995	345,121	889,574	1,282,342	12,042,597
Total primary government	$ 8,941,531	$ 13,747,663	$ 11,512,821	$ 33,795,066	$ 6,439,213	$ 2,131,215
Change in Net Assets						
Governmental activies	$ 8,397,145	$ 13,421,182	$ 10,048,857	$ 32,318,842	$ 5,840,355	$ (8,660,726)
Business-type activities	544,386	326,481	1,463,964	1,476,224	598,858	10,791,941
Total primary government	$ 8,941,531	$ 13,747,663	$ 11,512,821	$ 33,795,066	$ 6,439,213	$ 2,131,215

Note: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003. The prior period adjustments are related to - fiscal year 2004 increased construction in progress for infrastructure assets incurred prior to October 1, 2002 that was inadvertently omitted, fiscal year 2006 is due to the recording of infrastructure placed in service prior to 2003, fiscal year 2007 the City changed the accounting for the Recreation Fund from a governmental fund to an enterprise fund and corrected inaccuracies in capital asset balances.

Source: Basic financial statements.

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved for encumbrances	$ 1,157,348	$ 974,906	$ 1,034,818	$ 660,161	$ 431,094	$ 382,180	$ 465,563	$ 372,189	$ 346,284	$ 733,673
Reserved for capital improvements	-	-	-	-	-	-	-	4,000,000	2,867,207	2,100,000
Reserved for storm water management	273,275	150,871	164,763	184,008	189,719	223,172	223,173	85,286	110,267	163,783
Reserved for inventory/prepaid	251,342	548,704	919,095	784,863	827,345	867,637	873,131	796,763	725,590	799,721
Reserved for long-term receivables	-	-	-	-	-	-	-	-	-	-
Reserved for parks and other projects	823,379	1,392,736	1,300,809	1,393,403	2,692,157	2,932,610	780,609	524,527	694,980	479,904
Unreserved	6,850,476	4,230,066	1,303,598	3,813,463	3,344,086	4,161,091	4,248,705	5,502,409	7,861,281	12,480,457
Total General Fund	$ 9,355,820	$ 7,297,283	$ 4,723,083	$ 6,835,898	$ 7,484,401	$ 8,566,690	$ 6,591,181	$ 11,281,174	$ 12,605,609	$ 16,757,538
All Other Governmental Funds										
Reserved for encumbrances	$ 4,159,503	$ 2,258,191	$ 3,524,617	$ 3,492,964	$ 7,546,759	$ 2,127,464	$ 4,865,217	$ 3,936,558	$ 3,559,764	$ 7,938,066
Reserved for capital improvements	307,522	403,480	378,568	334,726	147,457	455,307	472,945	447,514	320,000	4,980,000
Reserved for debt service	-	-	-	-	-	-	-	-	-	5,349,325
Reserved for storm water management	-	-	-	-	-	-	-	-	-	-
Reserved for inventory/prepaid	133,556	7,138	8,990	9,358	14,703	20,909	27,087	23,506	2,602	3,300
Reserved for long-term receivables	-	-	-	-	306,103	519,773	727,514	796,767	1,001,353	806,132
Reserved for parks and other projects	3,389,560	3,361,749	2,645,139	2,198,994	2,086,042	2,199,874	-	-	3,276,765	-
Unreserved, reported in										
Special revenue funds	8,498,242	10,058,101	7,858,582	8,565,757	5,022,374	8,898,714	11,268,978	16,299,128	16,492,467	9,311,290
Debt service funds	970,755	1,381,538	1,719,317	1,865,237	1,860,174	2,034,833	2,847,740	1,307,849	2,396,237	3,458,563
Capital projects funds	1,844,191	6,297,029	5,879,742	4,214,598	1,344,994	1,637,801	22,598,170	5,907,073	280,116	20,915,453
Total all other governmental funds	$ 19,303,329	$ 23,767,226	$ 22,014,955	$ 20,681,634	$ 18,328,606	$ 17,894,675	$ 42,807,651	$ 28,718,395	$ 27,329,304	$ 52,762,129

Note: Increased fund balance in 2005 resulted primarily from a $22,500,000 bond issue for capital projects, and Reserved for Other Projects declined when the City began reporting the Natatorium Foundation as a component unit. During fiscal year 2007 the City changed the accounting for the Recreation Fund from a government fund to an enterprise fund.

Source: Basic financial statements.

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Sales tax (1)	$ 14,045,426	$ 15,787,918	$ 16,579,729	$ 18,799,467	$ 18,753,307	$ 19,699,282	$ 20,569,091	$ 21,017,391	$ 20,978,501	$ 21,285,659
Property tax (2)	6,542,005	7,190,831	7,467,135	8,166,425	8,513,746	9,439,098	10,292,983	11,069,439	11,431,916	11,783,275
Utility franchise tax	2,198,643	2,303,857	2,830,813	2,563,123	2,692,959	2,823,306	3,073,693	3,269,630	3,364,976	3,415,948
Special Assessment	-	-	-	-	-	-	-	215,839	-	-
Cigarette tax	242,816	222,543	214,221	206,383	202,503	212,994	189,403	203,416	231,216	254,592
Licenses and permits	476,393	643,118	926,193	1,030,145	844,571	1,167,388	1,312,320	1,950,438	1,660,469	1,526,797
Interest	1,903,804	1,509,301	1,464,131	589,411	776,385	472,343	794,421	2,220,644	2,095,392	1,488,010
Intergovernmental	4,201,434	4,920,725	5,762,672	6,501,077	5,278,697	6,999,736	5,880,363	6,731,969	6,821,731	6,155,149
Fines and Forfeitures	1,042,820	968,542	981,851	1,372,841	1,353,080	1,572,793	1,504,269	1,985,297	1,600,896	2,298,424
Charges for Services	3,624,722	3,396,204	3,294,206	3,499,166	3,560,744	4,340,727	4,109,749	4,694,036	933,779	1,176,669
Miscellaneous	667,330	1,229,760	828,726	2,342,512	1,903,093	818,681	860,653	1,779,408	2,322,571	451,120
Total revenues	34,945,393	38,172,799	40,349,677	45,070,550	43,879,085	47,546,348	48,586,945	55,137,507	51,441,447	49,835,643
Expenditures										
General government	930,975	1,787,879	2,815,951	1,507,248	1,670,032	2,138,722	2,908,197	2,740,191	3,862,364	11,156,412
Administration	4,458,296	5,071,723	5,360,095	5,587,177	5,499,898	5,022,275	5,025,680	4,732,115	3,869,357	4,026,933
Police	6,352,160	7,324,170	8,100,652	8,199,622	8,329,325	8,478,745	8,989,169	9,649,419	9,407,345	9,924,110
Municipal court	195,801	217,096	245,471	262,991	292,982	324,432	353,214	359,395	366,373	413,865
Public works	5,082,548	4,895,343	5,789,860	5,542,950	5,612,441	5,794,336	6,774,954	7,560,368	8,418,877	8,074,152
Engineering	1,741,928	1,660,934	1,825,392	1,902,461	1,905,371	2,122,459	2,058,782	2,528,071	2,422,063	2,599,668
Maintenance	672,597	659,680	705,693	713,071	748,045	729,127	709,484	713,904	703,345	710,878
Health	441,179	453,638	516,660	569,180	522,844	536,982	561,370	557,632	555,176	681,640
Parks and Recreation	7,394,972	7,710,602	7,837,967	7,542,068	7,655,882	8,285,927	8,394,205	9,043,035	4,613,547	4,577,817
Community relations	614,921	746,064	749,207	748,392	765,544	715,660	802,542	799,077	787,641	889,931
Community & arts	290,955	309,276	250,920	274,821	278,508	222,717	212,512	180,085	187,634	198,067
Captial outlay	10,416,216	12,121,044	14,641,963	11,462,638	6,561,839	10,169,034	5,647,963	23,657,316	12,924,502	15,656,104
Debt service										
Principal retirement	1,000,000	1,065,000	1,210,000	1,590,000	1,655,000	1,365,000	1,420,000	1,485,000	1,554,000	2,644,000
Inerest and fiscal charges	1,031,173	1,246,483	1,564,307	1,687,574	2,497,833	2,150,748	2,130,515	2,700,280	1,992,456	2,166,782
Other	48,634	41,216	42,010	44,863	45,066	208,389	52,017	56,082	74,425	59,837
Defeasance	-	-	-	-	-	713,108	-	-	-	-
Total expenditures	40,672,355	45,310,148	51,656,148	47,635,056	44,040,610	48,977,661	46,040,604	66,761,970	51,739,105	63,780,196
Excess of revenues over (under) expenditures	(5,726,962)	(7,137,349)	(11,306,471)	(2,564,506)	(161,525)	(1,431,313)	2,546,341	(11,624,463)	(297,658)	(13,944,553)
Other Financing Sources (Uses)										
Transfers in	-	-	231,544	1,335,000	230,000	340,400	2,467,132	350,000	847,275	7,212,077
Transfers out	(578,781)	(457,291)	(721,544)	(1,700,000)	(230,000)	(220,000)	(2,406,132)	(277,500)	(3,491,361)	(18,136,531)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	24,600,000	156,395	25,013,532
Issuance of debt	16,485,524	10,000,000	7,470,000	3,709,000	257,000	9,520,000	22,500,000	52,700	3,275,000	29,630,000
Payments to escrow agent	(16,732,242)	-	-	-	-	(9,363,128)	-	(22,500,000)	-	-
Discount on refunding of debt	-	-	-	-	-	-	-	-	(60,637)	(189,771)
Total other financing sources (uses)	(825,499)	9,542,709	6,980,000	3,344,000	257,000	277,272	22,561,000	2,225,200	726,672	43,529,307
Net change in fund balances	$ (6,552,461)	$ 2,405,360	$ (4,326,471)	$ 779,494	$ 95,475	$ (1,154,041)	$ 25,107,341	$ (9,399,263)	429,014	29,584,754
Total expenditures	40,672,355	45,310,148	51,656,148	47,635,056	44,040,610	48,977,661	46,040,604	66,761,970	51,739,105	63,780,196
Debt service	2,079,807	2,352,699	2,816,317	3,322,437	4,197,899	4,437,245	3,602,532	4,241,362	3,620,881	4,870,619
Capital outlay	(10,416,216)	(12,121,044)	(14,641,963)	(11,462,838)	(6,561,839)	(10,169,034)	(5,647,963)	(23,657,316)	(12,924,502)	(15,656,104)
Capital expenditures from functional categories	(6,919,814)	(2,863,858)	(3,492,268)	(1,634,192)	(1,245,973)	(820,537)	(1,070,991)	(1,733,562)	-	-
Debt service as a percentage of noncapital expenditures	8.9%	7.8%	8.4%	9.6%	11.6%	11.7%	9.2%	10.3%	9.3%	10.1%

(1) Includes general and special revenue sales tax
(2) Includes general and special revenue property tax
(3) During the fiscal year 2007 the City changed the accounting for the Recreation Fund from a governmental fund to an enterprise fund.
(4) During the fiscal year 2007 the City reported all capital expenditures from functional categories as capital outlay.

Source: Basic financial statemtns.

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

Tax Year	Residential Property	Commercial Property	Agriculture Property	Personal Property	Total Taxable Assessed Value	Estimated Actual Value	Direct Tax Rate	Ratio of Total Assessed Value To Total Estimated Actual Value
1999	296,283,380	171,166,465	371,923	123,053,660	590,875,428	2,466,911,282	0.9300	23.95%
2000	332,639,342	184,271,488	491,709	132,109,974	649,512,513	2,727,406,003	0.9300	23.81%
2001	340,225,120	189,767,485	452,229	144,782,271	675,227,105	2,822,232,087	0.9000	23.93%
2002	376,076,814	207,481,596	940,674	148,459,133	732,958,217	3,080,947,989	0.9000	23.79%
2003	381,249,863	212,060,518	912,648	149,798,119	744,021,148	3,126,267,102	0.9000	23.80%
2004	461,123,165	235,203,492	1,172,346	148,068,059	845,567,062	3,615,948,666	0.8500	23.38%
2005	470,357,496	243,246,009	437,124	144,102,898	858,143,527	3,671,660,941	0.8500	23.37%
2006	551,812,707	266,671,065	800,541	150,170,460	969,454,773	4,194,807,038	0.8000	23.11%
2007	566,980,076	275,187,777	579,347	155,794,342	998,541,542	4,316,278,384	0.8000	23.13%
2008	629,546,882	293,995,938	658,415	156,601,934	1,080,803,169	4,707,434,553	0.7700	22.96%

Notes: Property is reassessed once every two years. Property is subclassified for purposes of assessment as follows:

Residential Real Property - 19% of true value
Commercial Real Property - 32% of true value
Agriculture Real Property - 12% of productivity value
Personal Property - 33 1/3% of book value

Estimated actual taxable value is calculated by dividing taxable assessed value by these percentages. Tax rates are per $100 of assessed value

Source: Assessed valuations are from the Office of the St. Charles County Clerk

DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Per $100 of Assessed Valuation)

	City of St. Peters Direct Tax Rates			Overlapping Tax Rates					
				School Districts(1)					
Fiscal Year	Operating	Debt Service	Total Direct	Fort Zumwalt	St. Charles	Francis Howell	St. Charles County (2)	St. Charles Community College	Others(3)
1999	0.6600	0.2700	0.9300	4.5200	4.2700	4.9400	0.3000	0.2500	1.2700
2000	0.6600	0.2700	0.9300	4.3700	4.2700	4.8900	0.2800	0.2500	1.2600
2001	0.6400	0.2700	0.9100	4.3700	4.2700	4.8300	0.2700	0.2500	1.2600
2002	0.6740	0.2600	0.9340	4.2534	4.2700	4.6931	0.2493	0.2473	1.3251
2003	0.6400	0.2600	0.9000	4.2538	4.2700	4.6920	0.2475	0.2435	1.3449
2004	0.5890	0.2610	0.8500	4.2538	4.5700	4.4020	0.2300	0.2318	1.2184
2005	0.5890	0.2610	0.8500	4.9538	4.5700	5.0420	0.2290	0.2318	1.2097
2006	0.5500	0.2500	0.8000	4.5521	4.4700	4.7168	0.2178	0.2196	1.1283
2007	0.5500	0.2500	0.8000	4.5629	4.4700	4.7176	0.2178	0.2196	1.1353
2008	0.5300	0.2400	0.7700	4.3789	4.3700	4.4522	0.2045	0.2094	1.1120

Notes:

(1) The City is served by three school districts. While all three school districts overlap the City, none of the school districts overlap another school district.

(2) In addition to the tax rate shown, there is a $.53 tax rate (surcharge) imposed on all Real Estate Sub-Class 3, Commercial properties located in St. Charles County.

(3) Includes the tax rate for Central Co. Fire & Rescue #20, the St. Charles County Ambulance District, Handicapped Facilities Board, St. Charles County Dispatch & Alarm Agency, St. Charles County Library District and State of Missouri.

Source: Tax rates provided by respective taxing districts and office of the St. Charles County Clerk

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2008 Assessed Value	2008 Rank	2008 Percentage of Total Assessed Valuation(1)	1999 Assessed Value	1999 Rank	1999 Percentage of Total Assessed Valuation(2)
Mid Rivers Mall LLC	$ 20,194,636	1	1.87%	$ -	-	-
Airwick Industries, Inc.	9,034,239	2	0.84%	10,143,349	2	1.72%
TR Turnberry Corporation	5,957,260	3	0.55%	-	-	-
Westfield America of MO Inc.	4,379,086	4	0.41%	-	-	-
79 Crossing LLC	4,188,517	5	0.39%	-	-	-
SSM Properties Inc.	3,861,140	6	0.36%	-	-	-
Jungs Station Association	3,538,560	7	0.33%	-	-	-
KRCV Corporation	3,493,630	8	0.32%	-	-	-
94 Crossing LLC	3,479,960	9	0.32%	-	-	-
Grewe Limited Partnership	3,136,580	10	0.29%	-	-	-
May Development Co. of Oregon	-	-	-	15,892,850	1	2.69%
JC Penney's Properties, Inc.	-	-	-	3,335,879	3	0.56%
Capital Dierbergs Properties	-	-	-	3,152,630	4	0.53%
Sears Roebuck and Co.	-	-	-	2,838,332	5	0.48%
Centermark Properties	-	-	-	2,695,842	6	0.46%
Dayton Hudson Corp	-	-	-	2,601,654	7	0.44%
Continental Sprayers	-	-	-	2,500,828	8	0.42%
May Department Stores	-	-	-	2,414,208	9	0.41%
Wal-Mart Stores, Inc.	-	-	-	2,408,108	10	0.41%

Notes:
(1) Based on calendar year 2007 assessed valuation equal to $1,080,803,171
(2) Based on calendar year 1998 assessed valuation equal to $590,875,428

Source: Office of the St. Charles County Assessor

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended September 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1999	5,571	5,494	98.62%	64	5,558	99.77%
2000	6,106	6,032	98.79%	68	6,100	99.90%
2001	6,111	6,010	98.35%	85	6,095	99.74%
2002	6,620	6,506	98.28%	103	6,609	99.83%
2003	6,793	6,649	97.88%	128	6,777	99.76%
2004	7,239	7,122	98.38%	110	7,232	99.90%
2005	7,361	7,263	98.67%	90	7,353	99.89%
2006	7,823	7,650	97.79%	158	7,808	99.81%
2007	8,080	7,961	98.53%	96	8,057	99.72%
2008	8,384	8,110	96.73%	-	8,110	96.73%

Note: Per State Statute, Uncollected Personal Property Tax is written-off after five years.

Source: St. Charles County Collector

SALES TAX COLLECTED
LAST TEN FISCAL YEARS

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Sales Tax Collected For General Purposes	$ 9,041,394	$ 9,786,065	10,187,081	$ 10,729,420	$ 10,510,456	$ 10,957,055	$ 11,350,867	$ 11,416,073	$ 11,344,811	$ 11,566,809
Sales Tax Collected For Transportation Purposes	4,522,440	4,898,181	5,098,228	5,364,686	5,255,188	5,478,535	5,675,422	5,706,975	5,673,491	5,783,416
Sales Tax Collected For Park and Storm Water Purposes	-	-	422,721	1,060,285	1,036,575	1,081,465	1,120,689	1,126,750	1,120,066	1,142,294
Total Direct Sales Tax Collected	13,563,834	14,684,246	15,708,030	17,154,391	16,802,219	17,517,055	18,146,978	18,249,798	18,138,368	18,492,519
City direct sales tax rate	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%
Sales Tax Collected For Tax Increment Financing - City Centre	481,592	990,338	706,140	1,398,359	1,734,209	1,931,266	2,007,070	2,234,173	2,421,767	2,481,415
Sales Tax Collected For Tax Increment Financing - Old Town		110,083	156,068	235,209	209,756	244,813	408,710	526,909	412,015	305,890
Sales Tax Collected For Tax Increment Financing - Lakeside 370		3,251	9,491	11,508	7,123	6,148	6,333	6,511	6,350	5,835
Total Tax Collected for Tax Increment Financing	$ 481,592	$ 1,103,672	$ 871,699	$ 1,645,076	$ 1,951,088	$ 2,182,227	$ 2,422,113	$ 2,767,593	$ 2,840,132	$ 2,793,140
Total Sales Tax Collected	14,045,426	15,787,918	16,579,729	18,799,467	18,753,307	19,699,282	20,569,091	21,017,391	20,978,500	21,285,659

Note: As set out in Section 32.057 of the Missouri Revised Statutes it is a violation to make known in any manner the tax returns or departmental records derived from the Missouri Department of Revenue. Due to the confidentially of earnings information the above alternative information is provided to assist users in understanding this revenue source.

Source: City Finance Department

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	St. Charles County	Metropolitian Park Tax	Children & Family Services	State of Missouri	Total Sales Tax
1999	1.50%	1.50%			4.225%	7.225%
2000	1.50%	1.50%			4.225%	7.225%
2001	1.60%	1.50%	0.10%		4.225%	7.425%
2002	1.60%	1.50%	0.10%		4.225%	7.425%
2003	1.60%	1.50%	0.10%		4.225%	7.425%
2004	1.60%	1.50%	0.10%		4.225%	7.425%
2005	1.60%	1.50%	0.10%	0.125%	4.225%	7.550%
2006	1.60%	1.50%	0.10%	0.125%	4.225%	7.550%
2007	1.60%	1.45%	0.10%	0.125%	4.225%	7.500%
2008	1.60%	1.45%	0.10%	0.125%	4.225%	7.500%

Note: The city sales tax rate may be changed only with voter approval. State law exempts certain food sales from 3% of state sales tax.

Source: City Finance Department

RATIOS OF OUTSTANDING DEBT BY TYPE (1)
LAST TEN FISCAL YEARS

	Governmental Activities					Business-Type Activities				
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Tax Increment Notes	Development Notes	Certificate of Participation	Water/Sewer Revenue Bonds	Certificate of Participation	Leasehold Revenue Bonds	Total	Debt Per Capita(2)
1999	22,435,000	-	-	-	-	19,295,000	-	4,795,000	46,525,000	915
2000	31,205,000	-	-	-	-	18,385,000	-	4,585,000	54,175,000	1,054
2001	29,995,000	-	7,470,000	-	-	17,400,000	-	4,284,015	59,149,015	1,116
2002	30,905,000	-	8,679,000	-	-	16,070,000	-	7,025,000	62,679,000	1,140
2003	29,250,000	-	8,936,000	-	-	27,800,000	-	6,560,000	72,546,000	1,319
2004	28,080,000	-	8,936,000	-	-	26,410,000	-	13,150,000	76,576,000	1,392
2005	49,160,000	-	8,936,000	-	-	24,965,000	-	12,390,000	95,451,000	1,735
2006	25,175,000	52,700	8,936,000	-	-	23,480,000	-	11,610,000	69,253,700	1,259
2007	23,625,000	48,700	8,936,000	-	3,275,000	21,960,000	21,350,000	7,990,000	87,184,700	1,503
2008	44,305,000	44,700	8,936,000	6,630,000	2,955,000	41,865,000	21,350,000	7,455,000	133,540,700	2,302

Notes:
(1) Total and per capita personal income are unavailable for the City.
(2) See table 16 for population data.

Source: Details regarding the City's outstanding debt can be found in the note to the financial statements.

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds And Special Assessment Bonds	Fund Balance Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property (1)	Debt Per Capita (2)
1999	22,435,000	970,755	21,464,245	0.87%	422.11
2000	31,205,000	1,381,538	29,823,462	1.09%	580.44
2001	29,995,000	1,719,317	28,275,683	1.00%	533.50
2002	30,905,000	1,865,237	29,039,763	0.94%	528.00
2003	29,250,000	1,860,174	27,389,826	0.88%	498.00
2004	28,080,000	2,034,833	26,045,167	0.72%	473.55
2005	49,160,000	2,847,740	46,312,260	1.26%	842.04
2006	25,227,700	1,307,849	23,919,851	0.57%	434.91
2007	23,673,700	2,396,237	21,277,463	0.49%	366.85
2008	44,349,700	3,458,563	40,891,137	0.87%	705.02

Notes:
(1) See table 5 for property value data.
(2) See table 16 for population data.

Source: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2008

Jurisdiction	Debt Outstanding	Percentage Applicable to St. Peters	Share of Debt Applicable to St. Peters
Debt repaid with property taxes:			
St. Charles County	$ 4,366,000	14.61%	$ 637,873
St. Charles County Ambulance District	13,055,000	14.61%	1,907,336
Central County Fire and Rescue	9,275,000	66.98%	6,212,395
St. Charles County Community College	43,395,000	14.69%	6,374,726
St. Charles School District R-VI	48,257,199	6.79%	3,276,664
Fort Zumwalt School District R-II	134,150,000	26.51%	35,563,165
Francis Howell School District	126,258,987	19.79%	24,986,654
Other Debt:			
St. Charles County Capital Leases			32,800,000
St. Charels Community College			2,020,000
Fort Zumwalt Capital Leases			25,370,000
			139,148,813
City's direct debt			44,349,700
Total direct and overlapping debt			$ 183,498,513

Sources: Assessed value data used to estimate applicable percentages was provided by the St. Charles County Assessor. Debt outstanding data provided by each governmental unit.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Overlapping governments are those that coincide, at least in part, with the geographic boundries of the City. This schedule estimates the portion of the outstanding debt of thoses overlapping governments that is borne by the residents and businesses of the City of St. Peters. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident-and therefore responsible for repaying the debt-of each overlapping government.

CITY OF ST. PETERS, MISSOURI

TABLE 14

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	City Purposes Basic Limit	Streets And Sewer Additional Limit
Assessed Valuation	$ 1,080,803,169	$ 1,080,803,169
Debt Limit - 10% off assessed valuation	108,080,317	108,080,317
Amount of debt applicable to debt limit		
Total general obligation debt	44,349,700	-
Less: Amount available in debt service fund	(3,458,563)	-
Net bond indebtedness applicable to debt limit	40,891,137	-
Legal debt margin	$ 67,189,180	$ 108,080,317

City Purposes Basic Limit	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	$ 59,087,543	$ 64,951,251	$ 67,522,711	$ 73,295,822	$ 74,402,115	$ 84,556,706	$ 85,814,353	$ 96,945,477	$ 99,854,154	$ 108,080,317
Total net debt applicable to limit	21,985,000	29,823,462	28,275,683	29,039,763	27,389,826	26,045,167	46,312,260	23,919,851	21,277,463	40,891,137
Legal Debt Margin	37,102,543	35,127,789	39,247,028	44,256,059	47,012,289	58,511,539	39,502,093	73,025,626	78,576,691	67,189,180
Total net debt applicable to the limit as a % of debt limit	37.21%	45.92%	41.88%	39.62%	36.81%	30.80%	53.97%	24.67%	21.31%	37.83%

Street and Sewer Additional Limit	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt Limit	$ 59,087,543	$ 64,951,251	$ 67,522,711	$ 73,295,822	$ 74,402,115	$ 84,556,706	$ 85,814,353	$ 96,945,477	$ 99,854,154	$ 108,080,317
Total net debt applicable to limit	450,000	-	-	-	-	-	-	-	-	-
Legal Debt Margin	58,637,543	64,951,251	67,522,711	73,295,822	74,402,115	84,556,706	85,814,353	96,945,477	99,854,154	108,080,317
Total net debt applicable to the limit as a % of debt limit	0.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: The Missouri Constitution provides that in addition to the basic 10% debt limitation, the City may become indebted for an additional 10% of the assessed valuation for the purpose of acquiring rights-of-way, constructing, extending, and improving streets and avenues, and constructing, extending and improving a sanitary or storm sewer systems.

Source: Notes to the Financial Statements

PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

	Water Revenue Bonds						Special Assessment Bonds			
Fiscal Year	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Special Assessment Collections	Debt Service Principal	Debt Service Interest	Coverage
1999	5,943,723	(4,124,324)	1,819,399	865,000	645,678	1.20	-	-	-	-
2000	6,191,556	(4,446,667)	1,744,889	910,000	591,635	1.16	-	-	-	-
2001	6,815,772	(5,007,716)	1,808,056	985,000	532,160	1.19	-	-	-	-
2002	6,999,333	(5,040,065)	1,959,268	1,045,000	446,993	1.31	-	-	-	-
2003	7,227,302	(4,771,125)	2,456,177	1,240,000	352,449	1.54	-	-	-	-
2004	7,495,672	(5,165,769)	2,329,903	1,390,000	182,735	1.48	-	-	-	-
2005	8,384,200	(5,329,670)	3,054,530	1,445,000	121,171	1.95	-	-	-	-
2006	8,580,469	(5,731,539)	2,848,930	1,485,000	59,596	1.84	215,839	-	-	-
2007	9,728,781	(6,093,420)	3,635,361	1,520,000	19,195	2.36	6,975	4,000	2,211	1.12
2008	9,370,782	(6,724,209)	2,646,573	1,540,000	6,700	1.71	6,975	4,000	2,195	1.13

Notes: Operating expenses do not include interest, depreciation, or amortization expenses. Debt service is presented on a cash flow basis. The coverage calculations presented in this schedule differ from those required by specific bond indentures.

The decline in the interest portion of debt service relates to the maturity of revenue bonds and the issuance of Capital Appreciation Bonds.

Source: Basic financial statements and notes to the financial statements.

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population	School Enrollment	Unemployment Rate
1999	50,850	41,036	1.70%
2000	51,381	41,010	2.10%
2001	53,000	41,547	2.60%
2002	55,000	42,020	3.00%
2003	55,000	42,519	3.20%
2004	55,000	42,392	3.00%
2005	55,000	42,713	3.10%
2006	55,000	42,639	3.00%
2007	58,000	46,940	3.10%
2008	58,000	46,174	n/a

Note: Total and per capita personal income are unavailable for the City of St. Peters.

Sources: Population for 2000 is an official count of the United States Bureau of Census. For other years the figures are an estimate made by the City. School enrollment was was provided by the respective school districts prior to the year 2000 and thereafter from the Mo Department of Elementary and Secondary Education website. The unemployment rate for 2000 is an official count of the United States Bureau of Census. For other years, the figure is an unofficial estimate of the Missouri Economic Research and Information Center.

LARGEST EMPLOYERS
(BASED ON FULL-TIME EMPLOYMENT)
CURRENT AND NINE YEARS AGO
SEPTEMBER 30, 2008

	2008			1999		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Fort Zumwalt School District R-II	812	1	2.3%	650	1	1.9%
Barnes St. Peters Hospital *	612	2	1.8%	383	3	1.1%
City of St. Peters	515	3	1.5%	485	2	1.4%
Reckett & Benckiser	510	4	1.5%	285	6	0.8%
Francis Howell School District R-III	375	5	1.1%	320	5	0.9%
Macys	235	6	0.7%	-		-
Schnucks *	201	7	0.6%	-		-
Boone Center Inc.	200	8	0.6%	-		-
Wal-Mart *	176	9	0.5%	-		-
United Services Inc.	133	10	0.4%	-		-
Continental AFA	-		-	329	4	1.0%
Central Area Data Processing	-		-	235	7	0.7%
Wainwright Industries	-		-	227	8	0.7%
Woodbridge Foam Manufacturing	-		-	140	9	0.4%
Dierbergs	-		-	136	10	0.4%
	3,769		10.9%	3,190		9.2%

Note: Figures based on full-time or full-time equivalents. Percentage of Total City Employment was based on the employed labor force of 34,672 for September 2008 and 34,511 for September 1999. Labor force statistics are unofficial estimates from the Missouri Economic Research and Information Center.

* Data for 2008 was unavailable, the amounts presented represent 2007 figures.

Source: Survey of Employers

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

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:										
General Government	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90
Administration	48.20	48.80	50.40	51.70	49.70	47.70	48.70	47.40	47.40	44.30
Police	108.60	111.90	111.90	111.90	108.70	108.70	108.70	109.00	110.00	111.50
Municipal Court	4.40	5.10	5.10	5.40	5.40	5.40	5.40	5.40	5.40	5.40
Public Works	49.00	48.00	48.00	48.40	45.90	45.90	46.20	36.95	36.45	40.20
Engineering	30.70	30.70	30.70	31.80	28.80	29.00	29.00	32.00	33.00	32.70
Maintenance	11.60	10.60	10.60	10.60	9.90	9.90	9.70	8.60	9.60	9.60
Health	7.60	7.90	8.50	9.40	8.70	8.70	8.60	7.80	8.40	8.90
Parks and Recreation	123.00	129.10	130.20	125.80	135.90	137.10	137.10	136.40	58.40	65.20
Community Relations	7.30	7.30	7.30	9.70	9.00	9.00	9.00	9.00	9.00	9.00
Community & Arts	4.80	4.80	4.80	4.80	4.80	4.80	4.80	3.80	3.80	2.40
Business-Type Activities:										
Waterworks/Sanitary Sewer	38.00	38.30	38.00	39.70	39.40	41.90	42.40	42.40	43.50	46.40
Solid Waste	21.30	24.00	22.40	23.10	23.80	23.80	24.10	24.60	26.70	26.60
Central Materials Processing Facility	30.00	31.00	31.30	32.60	24.60	24.60	27.50	27.30	24.30	25.20
Recreation	-	-	-	-	-	-	-	-	78.40	80.10
Total	492.40	505.40	507.10	512.80	502.50	504.40	509.10	498.55	502.25	515.40

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total hours by 2,080. During fiscal year 2007 the City changed the accounting for the Recreaion Fund from a governmental fund to an enterprise fund.

Source: City budget office.

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Functions/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:										
Administration										
Citizen Concerns Received	*	*	982	923	942	1,129	988	964	1,226	1,189
No. of Concerns Responses within 72 hours	*	*	100%	97%	99%	99%	98%	99%	98%	98%
Police										
Average number of physical arrests per month	270	200	186	214	293	336	223	228	240	291
Average number of calls for service per month	3,145	3,000	3,000	3,900	3,598	3,465	2,342	2,407	2,608	3,570
Citizen Concerns Received	*	*	399	456	325	265	363	326	379	316
No. of Concerns Responses with 72 hours	*	*	99%	100%	98%	96%	99%	96%	97%	93%
Municipal court										
Average Number of Court Sessions per year	*	*	*	32	32	32	32	32	33	32
No. of tickets processed	*	*	*	19,445	20,419	17,229	17,727	19,019	15,410	24,438
Public Works										
Slab Replacement (Square Yards)	16,150	19,555	27,573	20,262	17,417	22,667	16,123	19,230	32,400	38,732
Asphalt overlay (Miles)	1.0	0.5	4.6	4.1	4.6	4.3	6.3	7.8	6.7	5.3
Curb Replacement (Lineal Feet)	3,220	4,000	5,250	9,300	10,816	12,251	8,917	13,145	15,705	30,413
Crackseal (Lineal Feet)	*	*	41,360	72,516	50,325	69,807	43,402	56,684	51,677	25,357
Sidewalk (Square Feet)	*	*	*	985	5,319	4,720	7,735	10,335	25,348	15,130
Citizen Concerns Received	*	*	1,215	545	744	945	651	648	719	949
No. of Concerns Responses with 72 hours	*	*	98%	100%	99%	98%	94%	96%	97%	98%
Engineering										
New Commercial Construction Unit Permits Issued	58	58	40	37	79	65	13	24	35	24
Value of New Commercial Construction Units	$ 47,951,903	$ 38,154,195	$ 24,923,011	$ 47,701,387	$ 61,680,082	$ 39,599,803	$ 15,856,038	$ 62,397,912	$ 78,167,652	$ 38,550,900
New Residential Construction Unit Permits Issued	$ 264	150	823	218	431	289	302	271	232	237
Value of New Residential Construction Units	$ 26,328,171	$ 12,095,946	$ 49,161,645	$ 24,285,105	$ 55,996,636	$ 38,197,045	$ 29,516,271	$ 33,189,993	$ 25,380,724	$ 28,625,457
Citizen Concerns Received	*	*	1,341	1,383	1,245	1,191	1,004	973	1031	1042
No. of Concerns Responses with 72 hours	*	*	97%	97%	95%	96%	96%	95%	98%	98%
Health										
Citizen Concerns Received	*	*	192	256	176	133	168	168	219	173
No. of Concerns Responses with 72 hours	*	*	97%	100%	94%	98%	99%	99%	100%	99%
Animal Control										
Citizen Concerns Received	*	*	*	81	73	75	62	36	32	42
No. of Concerns Responses with 72 hours	*	*	*	98%	99%	97%	100%	97%	100%	100%
Parks and Recreation										
REC-PLEX Annual Passes	1,660	1,643	1,511	1,779	1,867	2,017	2,070	2,191	2,066	2,619
Citizen Concerns Received	*	*	219	202	183	162	166	159	186	201
No. of Concerns Responses with 72 hours	*	*	100%	100%	100%	100%	100%	100%	100%	100%
Business-type activities:										
Waterworks/Sanitary Sewer										
Number of water service connections	14,944	15,632	15,632	15,319	15,762	15,955	16,430	17,718	16,768	17,458
Daily average water consumption in gallons	4,720,000	4,920,000	4,920,000	5,200,000	5,200,000	5,010,000	5,200,000	5,998,000	5,365,233	5,250,000
Number of sanitary sewer service connections	16,519	16,368	16,368	16,823	17,207	17,294	17,563	17,718	17,913	18,078
Daily average sanitary sewer treatment in gallons	5,180,000	4,980,000	4,980,000	5,170,000	5,700,000	5,930,000	5,930,000	6,239,000	6,227,156	6,990,000
Citizen Concerns Received	*	*	894	1,347	1,232	1,084	1,239	909	1,049	1,225
No. of Concerns Responses with 72 hours	*	*	96%	99%	100%	100%	100%	100%	100%	100%
Solid Waste										
Citizen Concerns Received	*	*	159	147	145	115	118	101	108	99
No. of Concerns Responses with 72 hours	*	*	99%	99%	97%	99%	98%	100%	100%	100%

*Information is not available for this time period

Sources: Various city departments.

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Functions/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:										
General government										
City Hall	1	1	1	1	1	1	1	1	1	1
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets (miles)	218	218	222	223	225	225	225	225	225	254
Streetlights	2,008	2,027	2,032	2,370	2,396	2,398	2,483	2,483	2,483	2,483
Parks and Recreations										
Sports Center (gymnasium)	1	1	1	1	1	1	1	1	1	1
Senior Citizen Center (Includes a fitness trailer)	1	1	1	1	1	1	1	1	1	1
REC-PLEX(2 pools; 3 ice rinks 2 gymnasium; fitness facilities	1	1	1	1	1	1	1	1	1	1
Parks	19	19	19	19	19	19	19	20	20	21
Park acreage	580	580	580	590	590	686	686	986	986	1,190
Golf Courses	1	1	1	1		11	1	1	1	1
Outdoor swimming Pools	3	3	3	3	3	3	3	3	3	3
Tennis Courts	7	7	7	7	7	7	7	7	7	7
Miles of hiking/biking trails	8	8	9	9	10	10	10	10	10	10
Community & Arts										
Community and Arts Center	1	1	1	1	1	1	1	1	1	1
Business-type activities										
Waterworks/Sanitary Sewer										
Water										
Maximum daily capacity in gallons:										
Water treatment plant	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
City of St. Louis system (per contract)	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000	9,858,000
Water mains (miles)	229	229	229	229	241	242	251	261	261	261
Fire hydrants	1,198	1,198	1,198	1,198	1,475	1,959	1,970	1,981	1,989	1,831
Wastewater										
Sanitary sewers (miles)	210	210	210	210	210	215	227	239	239	239
Storm Sewers (miles)	122	122	122	122	122	134	147	161	161	161
Treatment capacity (thousands of gallons)	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000
Solid Waste										
Customers - Residential	-	-	-	15,092	15,229	15,494	15,666	15,801	16,172	16,317
Central Materials Processing Facility										
Facilities	1	1	1	1	1	1	1	1	1	1

* Information is not available for this time period

Sources: Various City departments.