
CITY OF ST. PETERS, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2010



Report issued by the Office of Administration

Timothy M. Wilkinson
Assistant City Administrator

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Introductory Section

**City of
St. Peters**



February 11, 2011

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, 2010, 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.

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 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, 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 Committee; St. Peters Youth Leadership Council; The Veterans Memorial Commission; and the Senior Advisory 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 534 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, 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 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 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

As has been the trend for more than a decade, the City's economy continues to diversify with modern housing, commercial enterprises, shopping centers, support services, and some industries. Commercial growth is attributable to the City's transportation network, central location in the United States, and expanding resources of labor and materials. The City of St. Peters currently has approximately 2,700 business establishments. Newer retail businesses to the area include: Brunswick Zone, Costco, Marshall's, HomeGoods, Borders Book Store, Petco, Sports Authority, Hobby Lobby, and Dick's Sporting Goods.

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, Mid Rivers Mall, is also the largest shopping center in St. Charles County. The mall, which opened in 1987, is anchored by four major department stores and has approximately 130 shops, including a food court and a 14-screen Wehrenberg Theater.

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 (53.49 cents in the General Fund and 23.51 cents in the Debt Service Fund) without cutting any City services. The assessed valuation for the City of St. Peters decreased during this fiscal year and revenues received were based upon \$1,045,969,609 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, 2009. The City of St. Peters has received this prestigious award since 1991. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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, Assistant Director of Finance, and the finance department personnel for their efforts in preparation of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Beth French".

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

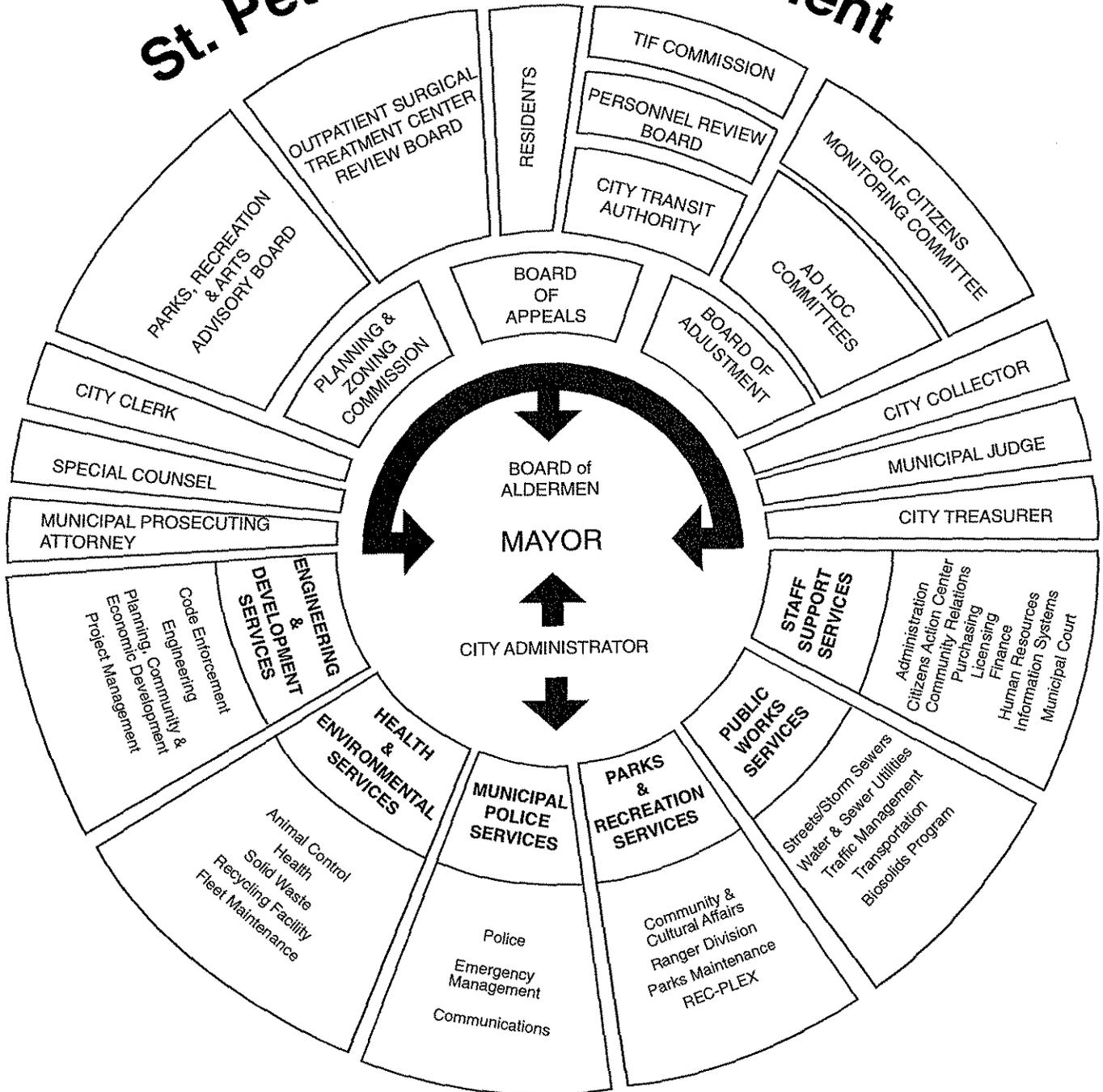
City Administrator

William P. Charnisky

Assistant City Administrator

Timothy M. Wilkinson

Organizational Structure St. Peters City Government



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, 2009

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



SCHOWALTER & JABOURI, P.C.

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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, 2010, 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 control 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, 2010, 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.

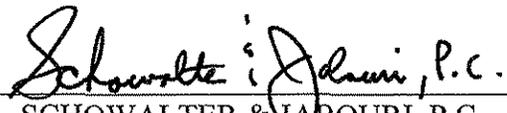
MEMBERS

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS • MISSOURI SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
AICPA GOVERNMENTAL AUDIT QUALITY CENTER • AICPA EMPLOYEE BENEFIT PLAN AUDIT QUALITY CENTER

"SCHOWALTER & JABOURI, P.C. IS A MEMBER OF NEXIA INTERNATIONAL, A WORLDWIDE NETWORK OF INDEPENDENT ACCOUNTING AND CONSULTING FIRMS."

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 19, the budgetary comparison information on pages 73 through 77 and the pension related information on pages 78 and 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Peters, Missouri's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on it.


SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
February 11, 2011

Management's Discussion and Analysis

CITY OF ST. PETERS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2010

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, 2010. 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 \$331.6 million. Net assets is comprised of: \$295.8 million invested in capital assets, net of related debt; \$18.1 million restricted for capital projects, debt service and other purposes; \$4.0 million unrestricted and available for governmental purposes; and \$13.7 million unrestricted and available for the City's business-type activities.
- Total net assets increased approximately \$3.8 million over the course of this year's operations. Governmental activities increased by \$10.9 million, and business-type activities decreased by approximately \$7.1.
- The assessed valuation for real estate and personal property (excluding the City's Special Districts) decreased by \$57.1 million or 5.2% during fiscal year 2010. In the Special Districts, assessed valuation for real estate and personal property increased \$1.7 million or 3.7%.
- The City retained the same property tax rate of 77 cents per \$100 of assessed valuation.
- In May, 2010, the City issued \$2,520,000 in General Obligation Refunding Bonds to advance refund \$2,500,000 of General Obligation Bonds that were issued in 2002 to take advantage of favorable interest rates. The refunding reduced debt service payments for this bond issue by \$432,000.
- Also, in May 2010 the City issued Certificates of Participation (COP), Series 2010A and 2010B. The purpose of the \$870,000 Series 2010A Certificates is to assist in refunding \$1,190,000 of outstanding PIC Leasehold Revenue Bonds, Series, 2002 which were originally issued for park and storm water projects. The purpose of the \$8,805,000 Series 2010B Certificates (Build America Bonds) is to construct and reconstruct certain roads and other infrastructure in the City.
- In addition, the City issued \$1,740,000 in Development Notes and \$963,000 in Tax Increment Revenue Notes.
- Program revenues increased government-wide by \$5.4 million. Capital grants and contributions increased \$4.1 million from the prior year from increased grants related to roads constructed by the public works function of the City and charges for services increased \$1.8 million, which relates to an increase in water and sewer user fees of \$1 million attributed to rate increases in water and sewer charges, growth in our customer base, and increased water demand (the prior fiscal year was impacted from an extremely wet summer and fall); a \$166,000 increase in our solid waste collection fees attributed to increased customers; a \$68,000 increase in recycling revenue at our central materials processing facility from increases in commodity pricing offset

CITY OF ST. PETERS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2010

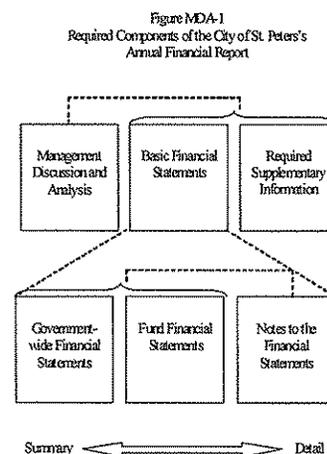
by a decline in external haulers using the facility; and a \$749,000 increase in our recreation activities from increased customers and programs and the first full year of operations for our 18-hole, par 70 municipal golf course.

- General revenue decreased \$1 million. This change is due to decreased property tax revenue from a decline in assessed valuation of \$300,000; decreased earnings on investments from a decline in interest rates and the reduction of cash to invest as we spent bond proceeds to complete capital projects of \$275,000 and a decrease in other revenues of \$359,000 (prior year included a reimbursement from one of the City's Tax Increment Financing Districts).

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.



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.

CITY OF ST. PETERS, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

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.

CITY OF ST. PETERS, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

- 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	
	2009	2010	2009	2010	2009	2010
Current and other assets	\$ 63,006,598	\$ 47,449,355	\$ 27,754,805	\$ 23,531,401	\$ 90,761,403	\$ 70,980,756
Capital assets (net of depreciation)	278,815,098	310,841,106	93,875,247	90,926,621	372,690,345	401,767,727
Total assets	<u>341,821,696</u>	<u>358,290,461</u>	<u>121,630,052</u>	<u>114,458,022</u>	<u>463,451,748</u>	<u>472,748,483</u>
Long-term obligations	60,663,145	68,106,702	54,239,723	51,927,856	114,902,868	120,034,558
Other liabilities	15,471,527	13,577,576	5,344,336	7,571,985	20,815,863	21,149,561
Total liabilities	<u>76,134,672</u>	<u>81,684,278</u>	<u>59,584,059</u>	<u>59,499,841</u>	<u>135,718,731</u>	<u>141,184,119</u>
Net assets						
Invested in capital assets, net of related debt	240,140,438	258,630,627	37,818,296	37,202,278	277,958,734	295,832,905
Restricted	12,022,919	13,977,894	3,759,580	4,041,857	15,782,499	18,019,751
Unrestricted	13,523,667	3,997,662	20,468,117	13,714,046	33,991,784	17,711,708
Total Net Assets	<u>\$ 265,687,024</u>	<u>\$ 276,606,183</u>	<u>\$ 62,045,993</u>	<u>\$ 54,958,181</u>	<u>\$ 327,733,017</u>	<u>\$ 331,564,364</u>

As seen in Table MDA-3, the City's total assets of \$472.7 million include \$71 million in current and other assets and \$401.8 million in capital assets.

Assets increased during the fiscal year by \$9.3 million, the majority of which relates to capital assets funded with note and bond proceeds that were issued during the year and additional dedicated assets offset by a decrease in cash as we paid for the construction or purchase of the capital assets and used for operational expenses.

The City's total liabilities of \$141.1 million include \$120 million that is not due or payable in the next fiscal year and \$21.1 in other liabilities. The increase in long-term obligations is the result of the previously discussed debt issuance offset by debt payments during the year. The increase in other liabilities is primarily due to a decrease in the current portion of long-term debt and accounts payable for the year offset by the recognition of a judgment against the City discussed in Note 14 of this document.

Total net assets of approximately \$331.5 million is comprised of \$295.8 million invested in capital assets, net of related debt; \$18 million restricted for capital projects, debt service and other purposes; \$4

CITY OF ST. PETERS, MISSOURI

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million unrestricted and available for governmental purposes and \$13.7 million unrestricted and available for the City's business-type activities.

Changes in Net Assets

The City's combined net assets increased by approximately \$3.8 million during fiscal year 2010 as a result of the activity shown in Table MDA-4.

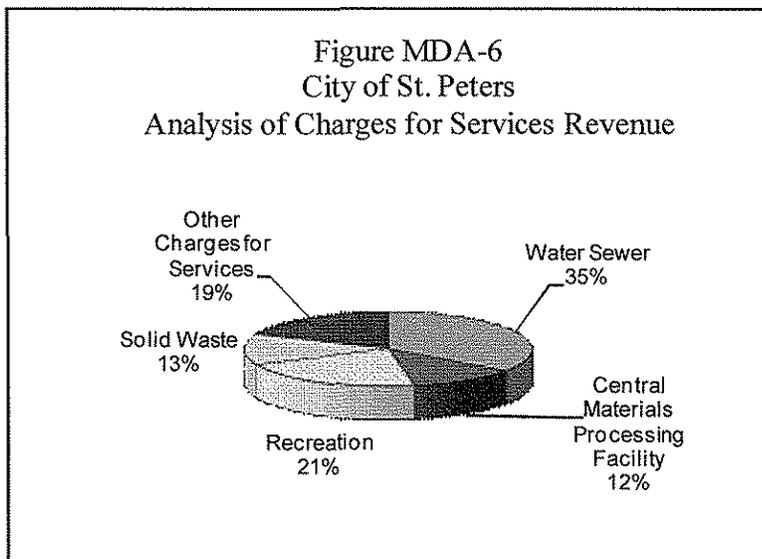
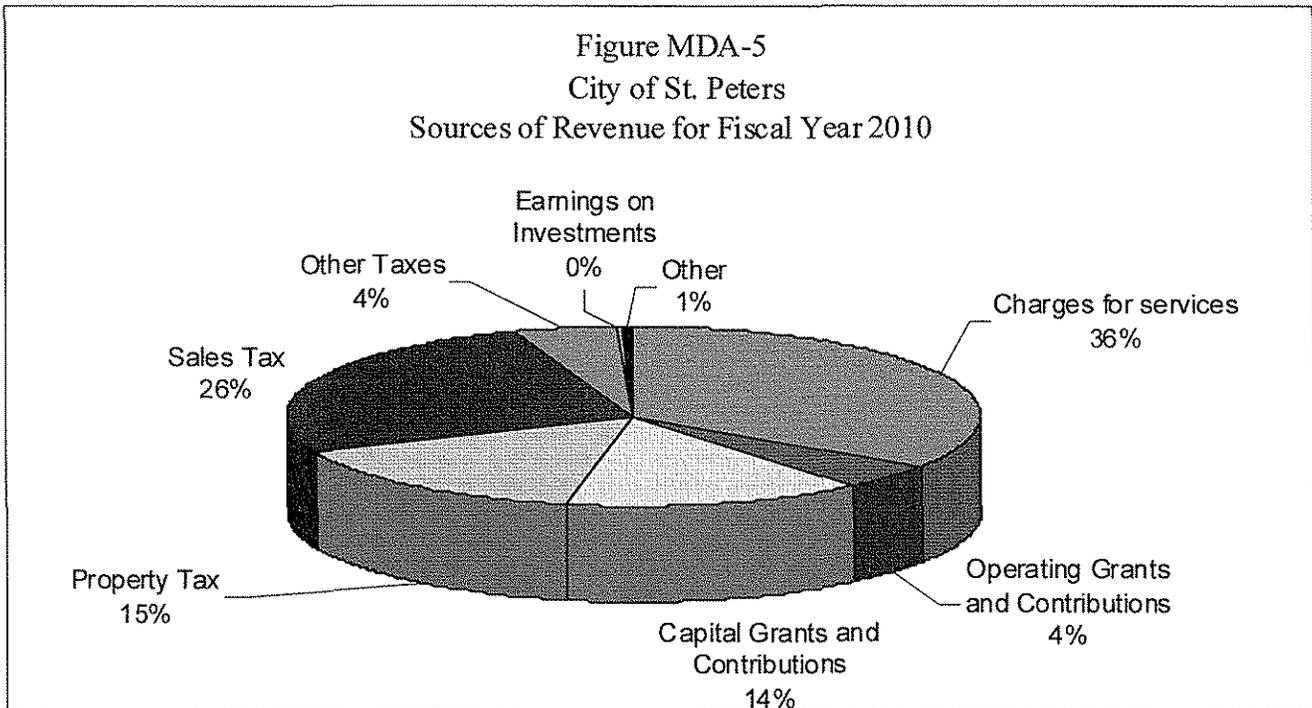
TableMDA-4
City of St. Peters's Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
Revenues						
Program Revenues						
Charges for services	\$ 4,603,247	\$ 4,688,098	\$ 21,346,500	\$ 23,062,424	\$ 25,949,747	\$ 27,750,522
Operating Grants and Contributions	4,024,801	3,597,950	-	-	4,024,801	3,597,950
Capital Grants and Contributions	6,557,930	10,759,472	719,510	588,320	7,277,440	11,347,792
General Revenue						
Property Tax	12,484,154	12,236,108	-	-	12,484,154	12,236,108
Sales Tax	21,353,250	21,034,519	-	-	21,353,250	21,034,519
Other Taxes	3,457,259	3,603,717	-	-	3,457,259	3,603,717
Earnings on Investments	286,808	110,734	134,044	35,355	420,852	146,089
Gain on Sale of Capital Assets	17,541	20,981	5,964	31,940	23,505	52,921
Other	912,057	553,445	-	-	912,057	553,445
Total revenues	53,697,047	56,605,024	22,206,018	23,718,039	75,903,065	80,323,063
Expenses						
General government	4,936,885	5,093,137	-	-	4,936,885	5,093,137
Administration	4,413,440	4,465,717	-	-	4,413,440	4,465,717
Police	10,758,075	11,487,848	-	-	10,758,075	11,487,848
Municipal court	443,602	469,464	-	-	443,602	469,464
Public Works	11,894,996	9,721,254	-	-	11,894,996	9,721,254
Engineering	2,552,615	2,571,574	-	-	2,552,615	2,571,574
Maintenance	749,630	788,172	-	-	749,630	788,172
Health	602,498	615,783	-	-	602,498	615,783
Parks and recreation	5,507,748	5,893,725	-	-	5,507,748	5,893,725
Community relations	1,009,804	1,007,998	-	-	1,009,804	1,007,998
Community and arts	280,512	290,368	-	-	280,512	290,368
Community Development	-	963,000	-	-	-	963,000
Interest on long-term debt	3,536,569	3,484,084	-	-	3,536,569	3,484,084
Waterworks/Sanitary Sewer	-	-	9,625,487	10,873,704	9,625,487	10,873,704
Solid Waste	-	-	4,399,270	6,891,092	4,399,270	6,891,092
Public Improvement Corporation	-	-	529,810	503,638	529,810	503,638
Central Materials Processing Facility	-	-	3,677,814	3,719,643	3,677,814	3,719,643
Recreation	-	-	7,038,214	7,651,515	7,038,214	7,651,515
Total expenses	46,686,374	46,852,124	25,270,595	29,639,592	71,956,969	76,491,716
Increase (decrease) in net assets before transfers	7,010,673	9,752,900	(3,064,577)	(5,921,553)	3,946,096	3,831,347
Transfers	(810,000)	1,166,259	810,000	(1,166,259)	-	-
Increase (decrease) in net assets	6,200,673	10,919,159	(2,254,577)	(7,087,812)	3,946,096	3,831,347
Beginning Net Assets	259,486,351	265,687,024	64,300,570	62,045,993	323,786,921	327,733,017
Ending Net Assets	\$ 265,687,024	\$ 276,606,183	\$ 62,045,993	\$ 54,958,181	\$ 327,733,017	\$ 331,564,364

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For the fiscal year ended September 30, 2010, government-wide revenues totaled \$80.3 million. Approximately one-third of all revenues are derived from charges from services and over one-fourth from sales tax.



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 Recreation, other charges for services, Solid Waste, and the Central Materials Processing Facility (CMPF).

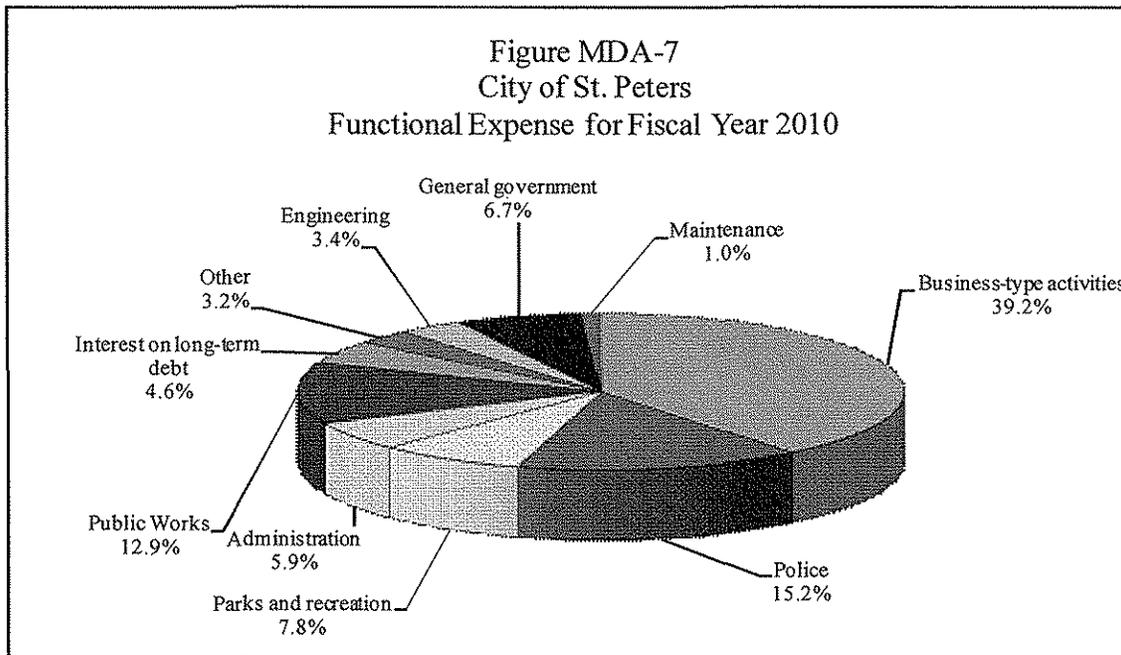
The second largest revenue source for the entire city is sales tax, which during the 2010 fiscal year equaled \$21 million. The City of St. Peters has a 1% sales tax to fund general governmental activities, a .5% sales tax that funds the City's transportation activity (road construction and maintenance) and a .1% sales tax for park and storm water activities. In addition, the City has three Tax Increment Financing

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**MANAGEMENT’S DISCUSSION AND ANALYSIS
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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 decreased by 6.3% citywide to a total of \$76.5 million during fiscal year 2010. The City’s expenses cover a range of services including parks and recreation, law enforcement, administration and public works. Approximately 39% of all city expenses during the 2010 fiscal year is related to business-type activities.



Governmental Activities

Revenues for the City’s governmental activities total \$56.6 million, of which approximately 37% is sales tax, 22% is property tax and 19% is for capital grants and contributions. Expenses for the City’s governmental activities total \$46.9 million. These activities result in an increase in net assets for the fiscal year of \$10.9 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 \$46.9 million; however, the amount that our taxpayers paid for these services through City taxes was \$27.8 million. The remaining cost was related to programs that charge those who directly benefit (\$4.7 million) and from grants and contributions (\$14.4 million). The City paid for the \$27.8 million “public benefit” portion with taxes, interest income and other revenues.

CITY OF ST. PETERS, MISSOURI

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

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Administration	\$ 4,465,717	\$ 4,465,717
Engineering	2,571,574	2,571,574
General government	5,093,137	3,640,178
Interest on long-term debt	3,484,084	3,484,084
Other	4,134,785	3,918,494
Parks	5,893,725	5,478,633
Police	11,487,848	6,932,278
Public Works	9,721,254	(2,684,354)
	<u>\$ 46,852,124</u>	<u>\$ 27,806,604</u>

Charges for services related to governmental activities increased \$84,900. This change is comprised of a \$266,000 increase in permits and licenses offset by a \$152,000 decrease in court fines and other police activities.

Governmental capital and operating grants and contributions increased by \$3.8 million relating primarily to the increase of in dedicated assets with the remaining balance due to an increase in the amount of grants received for various road and park projects during the year.

Sales tax revenue remained fairly consistent with the prior year and as mentioned earlier the assessed valuation for real estate and personal property (excluding the City's Special Districts) decreased by \$57.1 million or 5.2% during fiscal year 2010. In the Special Districts, assessed valuation for real estate and personal property increased \$1.7 million or 3.7%. This change in assessed value resulted in a decrease in property taxes revenue of \$248,000.

General governmental expense decreased by \$165,800 or .4% during fiscal year 2010, some of the significant changes by governmental function include:

- A decrease in public works expense of \$2.1 million related to major public works projects that were not considered capital assets.
- An increase in community development expense of \$963,000 for the issuance of development notes
- An increase in police activities of \$730,000. The majority of this is from personnel expense \$381,000 and increased depreciation expense related to the new Justice Center \$292,000.
- An increase of \$386,000 for park and recreation activities (\$94,000 for repair and maintenance primarily on City trails and \$202,000 in increased depreciation).

CITY OF ST. PETERS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2010

Business-Type Activities

Revenues of the City's business-type activities decreased 2.3% to \$23.7 million; expenses increased approximately 17% to \$29.6 million; and transfers in during the current fiscal year compared to transfers out in the prior year decreased net assets by \$1.9 million, resulting in an overall decrease in net assets for the fiscal year of \$1.9 million. (Refer to Table MDA-4.) Factors contributed to these results included:

- Charges for services increased by 8%, which relates to an increase in water and sewer user fees of \$1 million attributed to rate increases in water and sewer charges (2.5%), growth in our customer base, and increased water demand (the prior fiscal year was impacted from an extremely wet summer and fall); a \$166,000 increase in our solid waste collection fees attributed to increased customers; a \$68,000 increase in recycling revenue at our central materials processing facility from increases in commodity pricing offset by a decline in external haulers using the facility; and a \$749,000 increase in our recreation activities from increased customers and programs and the first full year of operations for our 18-hole, par 70 municipal golf course.
- The water and sewer function's expense increased by \$1.2 million or 13% due to an increase in personnel costs of \$177,000 from salary increases; \$473,000 additional depreciation expense; \$284,000 increase in purchased water due to increased quantity purchased and an increased cost per gallon purchased; \$177,000 reduction in repair and maintenance expense; \$78,000 reduction in professional services; and \$394,000 increase in bond interest and fees.
- Expense from the solid waste function increased by \$2.5 million or 57%, comprised of increases in salaries and fringe, depreciation expense and landfill fees of \$66,000, \$100,000 and \$46,000 respectively. The majority of the increase \$2.3 million is related to a judgment against the City discussed in Note 14 of this document.
- Expense for the Public Improvement Corporation decreased by \$26,000 due to a decline in depreciation expense.
- Expense for the CMPF increased during fiscal year 2010 by \$42,000. The significant changes include increases in salary and related fringe benefits of \$76,000 offset by decreased costs of landfill fees of \$70,000 and professional services of \$33,000.
- Expense for the Recreation Fund increased by \$613,000 from \$526,000 increased personnel costs originating from the first full year of operations at the golf course and changing some positions in our recreation facility from contracted employment to city staff. This increase is offset by decreases in professional services of \$51,000. Other increases in depreciation, concession expense and supplies are also attributed to the full year of golf course operations.

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.

CITY OF ST. PETERS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2010

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 twelve 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

CITY OF ST. PETERS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2010

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 \$39.3 million, a decrease of \$14.5 million from the prior fiscal year. Unreserved fund balance constitutes \$21.3 million 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 (\$9.2 million),
- capital improvements (\$379,000),
- debt service (\$6.3 million),
- storm water management (\$188,000),
- inventory and prepaids (\$833,000),
- long-term loan receivables (\$696,000),
- park and other improvements (\$390,000)

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 2010, the General Fund's fund balance decreased by \$6.7 million. 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 10% of the total general fund expenditures, while total fund balance represents 20% of that same amount.

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

- Transfers out of \$3,387,763 to fund:
 - Transfer to the Recreation Fund to assist in debt service payments (\$680,000)
 - Transfer to Capital Project Fund for the Justice Center Project (\$400,000)
 - Capital Project Fund for the 370 Lakeside Park Project (\$288,260)
 - Transfer to PIC related to the 2010A Certificate of Participation used to retire Leasehold Bonds discussed previously (\$1,019,442)
 - Transfer to Capital Project Fund for the expenses related to the Lakeside 370 Development Project (\$1,000,061)
- Continued efforts to limit operating costs to the amount received in operating resources, not utilizing one-time windfalls to cover everyday expenditures.
- New construction in both the residential and commercial areas. Revenue related to permits increased during the fiscal year and the City issued 309 residential and 11 commercial building permits with estimated construction values of \$33,073,423 and \$13,238,381, respectively.

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 increased by \$299,000 to \$5 million. Of this amount, \$6.9 million is reserved for the liquidation of contracts and purchase orders of the prior period; \$629,000 is reserved for debt service; and \$3,800 is reserved for inventory and prepaid expenses. Unreserved fund balance appears as a

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negative \$2.6 million; however, the majority of the amount reserved for liquidation of contracts has grant funding associated with the expense. The amount of grant revenue for these reserved amounts is \$5.5 million. The increase in fund balance is attributed to expenditures for maintenance of our existing infrastructure and new infrastructure construction of \$10.5 million and debt service and related fees of \$1.1 million offset by resources of \$11.2 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 decreased by \$1.5 million to \$6.4 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. Current year expenditures included infrastructure improvements to the district.

Fund balance in the Debt Service Fund decreased by \$472,000 resulting in a total ending balance of \$3.2 million, all of which is available for debt service in future years. During the year, the City had \$8.9 million of expenditures in this fund including expenditures related to the refunding previously discussed.

The Capital Projects Fund had a \$6.4 million decrease in fund balance. During the year the City incurred \$18.5 million in expenditures for projects. During the year the City expended \$ 7.5 million towards construction of a new Justice Center that will combine police headquarters and a new Municipal Court and \$1.5 million to complete a new fleet maintenance/solid waste facility to house employees and equipment and make upgrades to the current public works building. In addition, improvements to the 370 Lakeside Park totaled \$2.6 million, infrastructure improvements for Premier Lakeside 370 totaled \$162,000, road improvements funded through the Build America Certificates of Participation totaled \$4.8 million, and the City issued \$1,740,000 of developer notes for infrastructure improvements 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 \$409,000 increase in fund balance to a total of \$8 million. Of this, \$5.4 million is unreserved and \$2.6 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 slight changes in most of the funds; a \$510,000 increase in the Old Town TIF Fund; a \$198,000 increase in the Local Park and Storm Water Fund; offset by a decrease of \$276,000 in the Sewer Lateral Repair Fund. All of these changes are due to the normal operation of each fund.

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:

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- Decreased sales tax revenue by \$400,000 to reflect the decline in consumer spending attributed to the economic downturn the United States has faced
- Decreased revenue for franchise fees related to our natural gas provider to reflect our anticipated decline in funds related to a rate decrease implemented by the provider
- Increased grant revenue for a grant received after the original budget was adopted.
- Decreased interest income by \$100,000 to reflect the anticipated actual due to interest rates lower than expected at the time of budget adoption.
- In addition, during the year the following general fund expenditures were adjusted:
 - Various adjustments in capital that netted to an increase in expense of approximately \$63,000. These adjustments included the carryover or adjustment of vehicles originally adopted in the budget and an increase in funding for the Justice Center the City is constructing.
 - Modified transfers to reserves and other funds by approximately \$312,000. These adjustments were done to reflect the release of reserved funds originally set aside when we issued development notes when the City amended the development/lease agreement and to transfer those funds to a new capital project fund. Other adjustments to transfers were done to match anticipated actual results for projects such as maintenance of City Hall and expenses related to our 370 Lakeside Park.

Overall the City ended the fiscal year \$1.8 million better than budget. Significant variations between final budget and actual amounts include actual revenue less than budget of \$128,000 due to a combination of real estate tax and sales tax exceeding budgetary projections by \$38,000 and \$107,000, respectively, and franchise taxes from our utilities exceeding budget by \$147,000 primarily from electric and cable services. These increases are offset by \$112,000 less for license and permit revenue and \$279,000 less than budget for intergovernmental revenue. The change in intergovernmental revenue is due to grants that are on a reimbursement basis that the City did not complete projects during the fiscal year. These funds and the related expenditures will be carried over to fiscal year 2011. In addition we received \$120,000 less in other revenues such as municipal court fines and police programs.

Expenditures were better than budgeted by \$2.4 million. Savings in salaries, fringe benefits and employee expenses constitutes \$674,000 of this amount due to vacant positions, market increases less than anticipated, and a continued City-wide emphasis on controlling costs. The City experienced savings of \$550,000 for repair and maintenance expenditures (primarily related to our computer systems, building repairs and repairs to our storm water system) and in various other line items such as operational supplies and rentals of machinery and equipment. Approximately \$1.2 million of the variation from budget was associated with capital purchases. As discussed above the City has received various grants that are paid on a reimbursement basis that the City did not complete during the year. These projects will be carried over to the new fiscal year along with the revenue from the grants. Other capital savings are associated with contracted prices lower than budget and the deferral or elimination of certain items during the year. The City also had \$439,000 more than budget transferred to reserves and other funds primarily related to funding for capital projects such as the Justice Center; park projects that were funded from a reserved account; and major maintenance to City Hall.

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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2010, the City had invested \$401.8 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 increase in the City of St. Peters' investment in capital assets that relate to activity in fiscal year 2010 was \$29.1 million.

- \$68 million in new assets
- \$15 million in depreciation
- \$32,700 in retirements (net of accumulated depreciation)
- \$23.9 million reduction in construction in progress

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

- Governmental assets placed in service during the year include \$2.8 million of road projects (significant projects include improvements to Grand Teton Phase 3, Jungerman Road/Willott Road Intersection); major repairs to our existing infrastructure accounts for \$4.2 million; and the City accepted over \$8 million in dedicated streets, sidewalks, storm sewers and right-of-way from developers and subdivisions. Additionally we placed in service \$23.5 million for the Justice Center and HES Operations Building. During the year, assets were transferred from the PIC to the General Fund and Solid Waste Fund. The impact of this transfer to governmental assets is the addition of \$4.4 million in cost and \$1.5 million in accumulated depreciation.
- Construction in progress decreased by \$2 million. We placed in service \$14.4 million of projects and added an additional \$12.4 million for new projects that are in various phases of completion. Significant projects included the construction of the Justice Center; construction of the HES Operations Facility for our Fleet Maintenance and Solid Waste departments; development of new Lakeside 370 Park; road construction related to the development notes for infrastructure in the Lakeside 370 area; Route 364 Highway; and Salt River Road.

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

- In the Water and Sewer Fund we placed in service the following capital assets:
 - \$9.5 million in Wastewater Plant Improvements
 - \$1.6 million for a new Compost Facility
 - \$590,000 in dedicated water and sewer lines
 - \$396,000 in vehicles and other machinery and equipment related to the water and sewer operations

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Figure MDA-9
City of St. Peters's Outstanding Debt
September 30, 2009 and 2010

	<u>2009</u>	<u>2010</u>
Governmental Activities		
General Obligation (G.O.) Bonds	\$ 41,765,000	\$ 34,725,000
Tax Increment Financing (TIF) Notes	8,936,000	9,899,000
Limited General Obligation (G.O.) Bonds	39,700	34,700
Certificate of Participation	2,635,000	12,090,000
Development Notes	10,925,000	12,355,000
TOTAL	<u>\$ 64,300,700</u>	<u>\$ 69,103,700</u>
Business-type Activities		
Water/Sewer Revenue Bonds (Net of Unaccreted Capital Appreciation)	\$ 29,796,905	\$ 29,402,707
PIC Leasehold Revenue Bonds	6,910,000	5,430,000
Certificate of Participation	20,840,000	20,300,000
TOTAL	<u>\$ 57,546,905</u>	<u>\$ 55,132,707</u>
Total		
General Obligation (G.O.) Bonds	\$ 41,765,000	\$ 34,725,000
Tax Increment Financing (TIF) Notes	8,936,000	9,899,000
Limited General Obligation (G.O.) Bonds	39,700	34,700
Certificate of Participation	23,475,000	32,390,000
Development Notes	10,925,000	12,355,000
Water/Sewer Revenue Bonds (Net of Unaccreted Capital Appreciation)	29,796,905	29,402,707
PIC Leasehold Revenue Bonds	6,910,000	5,430,000
TOTAL	<u>\$ 121,847,605</u>	<u>\$ 124,236,407</u>

- The major change related to the Solid Waste Fund is the replacement of several solid waste collection vehicles. During the year, assets were transferred from the PIC to the General Fund and Solid Waste Fund. The impact of this transfer to Solid Waste's assets is the addition of \$449,000 in cost and \$449,000 in accumulated depreciation.
- In the Recreation Fund \$111,000 in machinery and equipment for the Rec-Plex primarily a new UV sanitizer for the Natatorium.
- The significant transaction for the PIC is the transfer of assets to the General Fund and Solid Waste Fund discussed above. These assets were transferred when the bonds associated with the assets were refunded.

Outstanding encumbrances for capital assets at the end of the fiscal year were \$13.7 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.

CITY OF ST. PETERS, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

Long-Term Debt

At September 30, 2010, the City had a number of debt issues outstanding. These issues included \$34,725,000 of general obligation (G.O.) bonds; \$9,899,000 of Tax Increment Financing (TIF) notes; \$34,700 in Limited General Obligation bonds; \$32,390,000 in Certificate of Participation bonds \$12,355,000 of Developer notes; 29,402,707 of Water/Sewer Revenue bonds, and \$5,430,000 of PIC leasehold revenue bonds.

As discussed previously the City issued:

- General Obligation Refunding Bonds in the amount of \$2,530,000 to advance refund \$2,500,000 of General Obligation Bonds that were issued in 2002 to take advantage of favorable interest rates. The refunding reduced debt service payments for this bond issue by \$432,000.
- Certificates of Participation (COP), Series 2010A and 2010B. The purpose of the \$870,000 Series 2010A Certificates is to assist in refunding \$1,190,000 of outstanding PIC Leasehold Revenue Bonds, Series, 2002 which were originally issued for park and storm water projects. The purpose of the \$8,805,000 Series 2010B Certificates (Build America Bonds) is to construct and reconstruct certain roads and other infrastructure in the City.
- \$1,740,000 in Development Notes and \$963,000 in Tax Increment Revenue Notes.

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, 2010, the City was well within this limit with a legal debt margin of \$73,035,034. 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 \$104,596,961 at September 30, 2010. 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

Our primary difficulty when preparing this year's budget was balancing the General Fund without cutting services. As with most municipalities, the City's primary revenues for this fund are derived from taxes and we have seen a decline in sales tax revenue and property values. For the 2010/11 fiscal year we are projecting only a slight increase in sales tax revenue and that is due to additional surplus distributions from the City Center Tax Increment Financing District (TIF).

Fiscal year 2010/11 is a non-reassessment year. And although our decline during last year's reassessment is not nearly as bad as what other communities in the United States have experienced, our 2010 property values are down 5.3% from the value in 2008. The State allows taxing entities to raise their tax rates to obtain the same amount of property tax revenue that they received in the past assessment year, however, in an attempt to assist our residents in these trying times we retained the current property tax rate of 77 cents per \$100 of assessed valuation. However, to assist the General Fund we will reallocate the tax levy between the General Fund and the Debt Service Fund.

CITY OF ST. PETERS, MISSOURI

**MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2010**

While preparing this budget, consideration was given to both the needs of the City of St. Peters during the 2010/11 fiscal year and also the impact that this budget will have on our long-range needs as set out in the Five Year Capital Improvement Plan (CIP). In addition, following the direction approved by the Mayor and Board of Aldermen during our pre-budget meeting this year we will continue to allocate expenses associated with services the Enterprise Funds receive from the General Fund and this year's allocation also includes expenses from the Vehicle and Equipment Maintenance department for services provided.

Like budgets in the past, we used the CIP as a guideline for the requested funding level of new programs and equipment purchases. The Five Year CIP incorporates all potential needs including long-term operational expense, vehicle, equipment, and information system replacement programs. Future operational expenditures associated with capital purchases are identified during the CIP discussions and are included in the current budget and in future CIP forecasting. However, with this proposed budget we are deferring certain purchases including unleaded vehicles in the General Fund.

Revenue generation opportunities are limited for municipalities; we are adjusting some fees to balance our budget. We reviewed fees in all of our funds and proposed to establish a new fee structure for facility rentals, increase certain user fees in our Recreation Fund, a 7% fee increase in our Water and Sewer Fund and an approximate 4% fee increase to our Solid Waste collection fees.

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.

Basic Financial Statements

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Natatorium Foundation
Assets:				
Cash and investments	\$ 34,769,197	\$ 13,914,986	\$ 48,684,183	\$ 1,930,148
Receivables (net):				
Taxes	3,776,155	-	3,776,155	-
Services	-	2,268,422	2,268,422	-
Intergovernmental	4,366,958	897	4,367,855	-
Interest	12,500	11,344	23,844	5,024
Other	1,003,850	753,817	1,757,667	-
Internal balances	289,312	(289,312)	-	-
Inventory and prepaid items	832,733	136,776	969,509	-
Bond issue costs	269,297	494,679	763,976	-
Investment in joint venture	-	2,076,258	2,076,258	-
Restricted cash and investments	1,433,427	4,163,534	5,596,961	-
Long-term receivables	695,926	-	695,926	-
Capital assets:				
Nondepreciable	171,323,733	3,550,220	174,873,953	-
Depreciable	139,517,373	87,376,401	226,893,774	-
Total Assets	<u>358,290,461</u>	<u>114,458,022</u>	<u>472,748,483</u>	<u>1,935,172</u>
Liabilities				
Accounts payable	4,512,811	1,063,785	5,576,596	-
Accrued interest	788,055	527,079	1,315,134	-
Accrued payroll	1,161,964	292,288	1,454,252	-
Unearned revenue	565,577	235,767	801,344	-
Deposits	509,539	288,963	798,502	-
Claims payable	975,831	2,255,313	3,231,144	-
Other liabilities	-	497	497	-
Long-term liabilities:				
Due within one year	5,063,799	2,908,293	7,972,092	-
Due in more than one year	68,106,702	51,927,856	120,034,558	-
Total Liabilities	<u>81,684,278</u>	<u>59,499,841</u>	<u>141,184,119</u>	<u>-</u>
Net Assets				
Invested in capital assets, net of related debt	258,630,627	37,202,278	295,832,905	-
Restricted for:				
Capital projects	6,768,629	-	6,768,629	-
Debt service	7,209,265	4,041,857	11,251,122	-
Unrestricted	3,997,662	13,714,046	17,711,708	1,935,172
Total Net Assets	<u>\$ 276,606,183</u>	<u>\$ 54,958,181</u>	<u>\$ 331,564,364</u>	<u>\$ 1,935,172</u>

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Natatorium Foundation
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-Type Activities		
Governmental Activities:								
General government	\$ 5,093,137	\$ 1,181,701	\$ 269,160	\$ 2,098	\$ (3,640,178)	\$ -	\$ (3,640,178)	\$ -
Administration	4,465,717	-	-	-	(4,465,717)	-	(4,465,717)	-
Police	11,487,848	2,778,995	1,616,580	159,995	(6,932,278)	-	(6,932,278)	-
Municipal court	469,464	-	-	-	(469,464)	-	(469,464)	-
Public works	9,721,254	522,200	1,561,995	10,321,413	2,684,354	-	2,684,354	-
Engineering	2,571,574	-	-	-	(2,571,574)	-	(2,571,574)	-
Maintenance	788,172	-	-	-	(788,172)	-	(788,172)	-
Health	615,783	20,182	-	-	(595,601)	-	(595,601)	-
Parks and recreation	5,893,725	8,640	130,486	275,966	(5,478,633)	-	(5,478,633)	-
Community relations	1,007,998	-	-	-	(1,007,998)	-	(1,007,998)	-
Community and arts	290,368	176,380	19,729	-	(94,259)	-	(94,259)	-
Community development	963,000	-	-	-	(963,000)	-	(963,000)	-
Interest on long-term debt	3,484,084	-	-	-	(3,484,084)	-	(3,484,084)	-
	<u>46,852,124</u>	<u>4,688,098</u>	<u>3,597,950</u>	<u>10,759,472</u>	<u>(27,806,604)</u>	<u>-</u>	<u>(27,806,604)</u>	<u>-</u>
Business-Type Activities:								
Waterworks/sanitary sewer	10,873,704	9,675,873	-	588,320	-	(609,511)	(609,511)	-
Solid waste	6,891,092	3,540,501	-	-	-	(3,350,591)	(3,350,591)	-
Public improvement corporation	503,638	555,071	-	-	-	51,433	51,433	-
Central materials processing facility	3,719,643	3,394,464	-	-	-	(325,179)	(325,179)	-
Recreation	7,651,515	5,896,515	-	-	-	(1,755,000)	(1,755,000)	-
	<u>29,639,592</u>	<u>23,062,424</u>	<u>-</u>	<u>588,320</u>	<u>-</u>	<u>(5,988,848)</u>	<u>(5,988,848)</u>	<u>-</u>
Total Government	<u>\$ 76,491,716</u>	<u>\$ 27,750,522</u>	<u>\$ 3,597,950</u>	<u>\$ 11,347,792</u>	<u>(27,806,604)</u>	<u>(5,988,848)</u>	<u>(33,795,452)</u>	<u>-</u>
Component Unit								
Natatorium Foundation	\$ 138,893	-	-	-	-	-	-	\$ (138,893)
General Revenues:								
Property taxes levied for:								
General purposes								
					5,993,141	-	5,993,141	-
Debt service								
					2,495,335	-	2,495,335	-
Tax increment financing districts								
					3,747,632	-	3,747,632	-
Sales tax levied for:								
General purposes								
					11,106,737	-	11,106,737	-
Transportation purposes								
					5,553,379	-	5,553,379	-
Park and stormwater purposes								
					1,096,321	-	1,096,321	-
Tax increment financing districts								
					3,278,082	-	3,278,082	-
Franchise and public service taxes								
					3,603,717	-	3,603,717	-
Earnings on investments								
					110,734	35,355	146,089	251,720
Other revenues								
					553,445	-	553,445	53
Gain on disposition of capital assets								
					20,981	31,940	52,921	-
Transfers								
					1,166,259	(1,166,259)	-	-
Total General Revenues								
					38,725,763	(1,098,964)	37,626,799	251,773
Change in net assets								
					10,919,159	(7,087,812)	3,831,347	112,880
Net Assets - Beginning of Year,								
					265,687,024	62,045,993	327,733,017	1,822,292
Net Assets - End of Year								
					\$ 276,606,183	\$ 54,958,181	\$ 331,564,364	\$ 1,935,172

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	Major Funds					Nonmajor	Total Governmental Funds
	General	Transportation Trust	Special Allocation- City Centre	Debt Service	Capital Projects	Other Governmental Funds	
Assets:							
Cash and investments:							
Unrestricted	\$ 4,719,704	\$ 2,463,903	\$ 6,346,826	\$ 3,180,560	\$ 10,976,071	\$ 7,082,133	\$ 34,769,197
Restricted	548,142	885,263	22	-	-	-	1,433,427
Receivables, net of allowances where applicable:							
Taxes	3,070,042	530,651	-	69,333	-	106,129	3,776,155
Intergovernmental	252,097	3,962,336	-	-	78,244	74,281	4,366,958
Interest	-	-	-	8,333	-	4,167	12,500
Other	139,745	260,032	10,659	-	315,040	278,374	1,003,850
Due from other funds	357,446	-	2,439	-	-	-	359,885
Long term receivables	-	-	-	-	-	695,926	695,926
Inventory and prepaid items	828,933	3,800	-	-	-	-	832,733
Total Assets	\$ 9,916,109	\$ 8,105,985	\$ 6,359,946	\$ 3,258,226	\$ 11,369,355	\$ 8,241,010	\$ 47,250,631
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable	\$ 630,959	\$ 2,575,177	\$ -	\$ 1,456	\$ 1,153,928	\$ 151,291	\$ 4,512,811
Accrued liabilities	1,146,468	14,403	-	-	-	1,093	1,161,964
Deposits/guarantee bonds	497,606	3,995	-	-	5,838	2,100	509,539
Due to other funds	-	839	-	2,439	-	67,295	70,573
Deferred revenue	137,528	525,000	-	56,558	-	31,730	750,816
Claims payable	975,831	-	-	-	-	-	975,831
Total Liabilities	3,388,392	3,119,414	-	60,453	1,159,766	253,509	7,981,534
Fund Balances:							
Reserved for:							
Encumbrances	754,166	6,938,032	-	-	-	1,552,964	9,245,162
Capital improvements	379,110	-	-	-	-	-	379,110
Debt service	545,582	628,623	4,742,272	-	-	335,000	6,251,477
Stormwater management	187,529	-	-	-	-	-	187,529
Inventory and prepaids	828,933	3,800	-	-	-	-	832,733
Long term receivables	-	-	-	-	-	695,926	695,926
Parks and other improvements	389,628	-	-	-	-	-	389,628
Unreserved, reported in:							
General fund	3,442,769	-	-	-	-	-	3,442,769
Special revenue funds	-	(2,583,884)	1,617,674	-	-	5,403,611	4,437,401
Debt service funds	-	-	-	3,197,773	-	-	3,197,773
Capital projects funds	-	-	-	-	10,209,589	-	10,209,589
Total Fund Balances	6,527,717	4,986,571	6,359,946	3,197,773	10,209,589	7,987,501	39,269,097
Total Liabilities and Fund Balances	\$ 9,916,109	\$ 8,105,985	\$ 6,359,946	\$ 3,258,226	\$ 11,369,355	\$ 8,241,010	\$ 47,250,631

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, 2010**

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balance - Governmental Funds	\$ 39,269,097
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is \$447,337,103 and the accumulated depreciation is \$136,495,997	310,841,106
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.	185,239
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, 2010 are:	
Accrued compensated absences, vacation	(1,218,799)
Accrued interest on outstanding debt	(788,055)
Other post employment benefit obligation	(3,697,715)
Bonds and notes payable	(69,103,700)
Unamortized bond discount and deferred amount on refunding	965,868
Unamortized bond premium	(116,155)
Unamortized bond issue costs	269,297
Total Net Assets - Governmental Activities	<u>\$ 276,606,183</u>

See accompanying notes to 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, 2010**

	Major Funds					Nonmajor	Total Governmental Funds
	General	Transportation Trust	Special Allocation- City Centre	Debt Service	Capital Projects	Other Governmental Funds	
Revenues:							
Sales tax	\$ 11,106,737	\$ 5,553,379	\$ 2,674,461	\$ -	\$ -	\$ 1,384,899	\$ 20,719,476
Property tax	5,988,304	-	3,080,877	2,481,774	-	666,755	12,217,710
Utility franchise tax	3,601,570	-	2,147	-	-	-	3,603,717
Cigarette tax	223,484	-	-	-	-	-	223,484
Licenses and permits	1,092,659	-	-	-	-	-	1,092,659
Interest	14,361	4,903	44,802	10,550	18,093	18,025	110,734
Intergovernmental	3,669,347	5,646,191	-	-	393,284	269,959	9,978,781
Fines and forfeitures	2,521,997	-	-	-	-	-	2,521,997
Charges for services	565,466	-	-	-	-	515,525	1,080,991
Miscellaneous	247,760	46,799	-	65,813	-	6,980	367,352
Total Revenues	29,031,685	11,251,272	5,802,287	2,558,137	411,377	2,862,143	51,916,901
Expenditures:							
Current:							
General government	1,764,346	-	763,550	-	-	401,767	2,929,663
Administration	4,025,538	-	-	-	-	-	4,025,538
Police	10,756,677	-	-	-	-	-	10,756,677
Municipal court	463,630	-	-	-	-	-	463,630
Public works	3,173,490	3,127,800	-	-	-	1,578,194	7,879,484
Engineering	2,509,843	-	-	-	-	-	2,509,843
Maintenance	771,310	-	-	-	-	-	771,310
Health	586,799	-	-	-	-	-	586,799
Parks and recreation	4,780,460	-	-	-	-	185,157	4,965,617
Community relations	925,874	-	-	-	-	-	925,874
Community and arts	212,144	-	-	-	-	-	212,144
Community development	-	-	963,000	-	-	-	963,000
Capital outlay	2,989,920	7,407,533	-	-	18,459,764	80,427	28,937,644
Debt service:							
Principal retirement	220,000	310,000	-	7,060,000	-	5,000	7,595,000
Interest	99,255	687,486	717,830	1,640,250	-	2,382	3,147,203
Payments to escrow agent	-	-	-	141,255	-	-	141,255
Other	10,565	76,387	-	87,962	-	-	174,914
Total Expenditures	33,289,851	11,609,206	2,444,380	8,929,467	18,459,764	2,252,927	76,985,595
Revenues Over (Under) Expenditures	(4,258,166)	(357,934)	3,357,907	(6,371,330)	(18,048,387)	609,216	(25,068,694)
Other Financing Sources (Uses):							
Transfers in	5,994	-	-	5,862,129	1,888,321	-	7,756,444
Transfers out	(3,387,763)	-	(5,862,129)	-	(5,994)	(200,000)	(9,455,886)
Proceeds from sale of capital assets	32,549	1,808	-	-	-	-	34,357
Issuance of debt	870,000	804,716	963,000	2,520,000	9,740,284	-	14,898,000
Discount on sale of bonds	(8,200)	(149,675)	-	(10,332)	-	-	(168,207)
Payments to escrow agent	-	-	-	(2,472,340)	-	-	(2,472,340)
Total Other Financing Sources (Uses)	(2,487,420)	656,849	(4,899,129)	5,899,457	11,622,611	(200,000)	10,592,368
Net Changes in Fund Balances	(6,745,586)	298,915	(1,541,222)	(471,873)	(6,425,776)	409,216	(14,476,326)
Fund Balances:							
Beginning of Year	13,273,303	4,687,656	7,901,168	3,669,646	16,635,365	7,578,285	53,745,423
End of Year	\$ 6,527,717	\$ 4,986,571	\$ 6,359,946	\$ 3,197,773	\$ 10,209,589	\$ 7,987,501	\$ 39,269,097

See accompanying notes to 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, 2010**

Net change in fund balances - total governmental funds \$ (14,476,326)

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	34,035,711	
Proceeds from sale of capital assets	(34,357)	
Donated capital assets	4,648,744	
Net transfer of assets between the proprietary and governmental activities	2,865,701	
Depreciation expense	<u>(9,510,772)</u>	32,005,027

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.

20,981

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.

Payments to escrow agent	2,613,595	
Issuance of debt	(14,898,000)	
Repayment of bond and note principal	<u>7,595,000</u>	(4,689,405)

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	(193,940)	
Compensated absences	(46,041)	
Other post employment benefits	(1,919,715)	
Premium on debt issuances, net of amortization	44,963	
Discount on debt issuances and deferred amount on refunding, net of amortization	57,309	
Deferred bond issuance costs, net of amortization	<u>97,908</u>	(1,959,516)

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 decreased this year.

18,398

Change in net assets of governmental activities

\$ 10,919,159

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF FUND NET ASSETS - PROPRIETARY FUNDS
SEPTEMBER 30, 2010**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Recreation	
Assets:						
Current Assets:						
Cash and investments:						
Held by trustees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,505,872	7,658,645	-	1,170,904	1,579,565	13,914,986
Restricted	2,264,114	-	533,212	-	1,366,208	4,163,534
Receivables, net allowances:						
Services	1,489,620	706,456	-	72,346	-	2,268,422
Accrued interest	-	11,344	-	-	-	11,344
Grants	-	897	-	-	-	897
Other	375,814	112,114	-	133,288	132,601	753,817
Inventory/prepays	325	-	-	93,769	42,682	136,776
Bond issue costs	380,856	-	32,627	-	81,196	494,679
Total Current Assets	8,016,601	8,489,456	565,839	1,470,307	3,202,252	21,744,455
Noncurrent Assets:						
Investment in joint venture	2,076,258	-	-	-	-	2,076,258
Capital assets	97,309,171	7,646,710	4,881,130	6,355,534	44,251,155	160,443,700
Less: Accumulated depreciation	43,379,773	5,850,573	43,932	3,829,944	16,412,857	69,517,079
Capital assets - net	53,929,398	1,796,137	4,837,198	2,525,590	27,838,298	90,926,621
Total Noncurrent Assets	56,005,656	1,796,137	4,837,198	2,525,590	27,838,298	93,002,879
Total Assets	64,022,257	10,285,593	5,403,037	3,995,897	31,040,550	114,747,334
Liabilities:						
Current Liabilities:						
Accounts payable	864,070	42,520	-	106,149	51,046	1,063,785
Accrued payroll	103,087	54,993	-	40,502	93,706	292,288
Accrued compensated absences	177,748	79,487	-	63,357	67,701	388,293
Accrued interest	82,050	-	77,698	-	367,331	527,079
Deposits held for others	152,075	-	-	-	136,888	288,963
Due to other funds	204,760	18,824	-	48,628	17,100	289,312
Deferred revenue	35,430	-	-	-	200,337	235,767
Current portion of revenue bonds payable (payable from restricted assets)	1,500,000	-	300,000	-	720,000	2,520,000
Claims payable	-	2,255,313	-	-	-	2,255,313
Other	460	-	-	-	37	497
Total Current Liabilities	3,119,680	2,451,137	377,698	258,636	1,654,146	7,861,297
Noncurrent Liabilities:						
Long-term portion of revenue bonds payable	27,624,053	-	5,046,221	-	19,257,582	51,927,856
Total Liabilities	30,743,733	2,451,137	5,423,919	258,636	20,911,728	59,789,153
Net Assets:						
Invested in capital assets, net of related debt	25,528,858	1,796,137	(509,023)	2,525,590	7,860,716	37,202,278
Restricted for debt service	2,037,339	-	533,212	-	1,471,306	4,041,857
Unrestricted	5,712,327	6,038,319	(45,071)	1,211,671	796,800	13,714,046
Total Net Assets	\$ 33,278,524	\$ 7,834,456	\$ (20,882)	\$ 3,737,261	\$ 10,128,822	\$ 54,958,181

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, 2010**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Recreation	
Operating Revenues:						
Water	\$ 4,011,784	\$ -	\$ -	\$ -	\$ -	\$ 4,011,784
Sewer	3,516,828	-	-	-	-	3,516,828
Solid waste	-	3,427,331	-	-	-	3,427,331
Tap on fees	538,400	-	-	-	-	538,400
Tipping fees	-	-	-	1,799,255	-	1,799,255
Rental income	-	-	555,071	-	-	555,071
Recycling income	-	-	-	1,283,368	-	1,283,368
Earth Centre	-	-	-	294,224	-	294,224
Intergovernmental	-	5,976	-	-	-	5,976
Recreation	-	-	-	-	5,896,515	5,896,515
Miscellaneous	1,608,861	107,194	-	17,617	-	1,733,672
Total Operating Revenues	9,675,873	3,540,501	555,071	3,394,464	5,896,515	23,062,424
Operating Expenses:						
Personnel costs	3,676,875	2,040,442	-	1,527,764	3,040,814	10,285,895
Depreciation	2,759,674	648,380	143,031	219,724	1,697,019	5,467,828
Utilities	526,977	24,812	-	54,771	756,685	1,363,245
Purchased water	739,862	-	-	-	-	739,862
Wastewater treatment costs	149,389	-	-	-	-	149,389
Landfill fees	-	976,653	-	1,043,584	-	2,020,237
Repairs and maintenance	407,221	226,238	-	111,688	216,680	961,827
Chemicals and supplies	314,119	3,270	-	-	83,827	401,216
Professional services	293,073	18,018	-	39,822	301,576	652,489
Office expense	200,552	53,284	-	177,145	299,308	730,289
Insurance	96,204	47,122	-	58,559	5,721	207,606
Gasoline and fuel	102,365	174,446	-	44,902	11,174	332,887
Rent	18,135	952	-	6,255	-	25,342
Concessions	-	-	-	-	229,847	229,847
Miscellaneous	386,167	422,162	-	435,429	103,612	1,347,370
Total Operating Expenses	9,670,613	4,635,779	143,031	3,719,643	6,746,263	24,915,329
Operating income (Loss)	5,260	(1,095,278)	412,040	(325,179)	(849,748)	(1,852,905)
Nonoperating Revenues (Expenses):						
Interest on investments	10,555	21,371	86	1,985	1,358	35,355
Bond interest and fees	(1,147,972)	-	(271,148)	-	(905,252)	(2,324,372)
Gain on disposal of capital assets	2,282	6,858	-	22,800	-	31,940
Loss on early extinguishment of debt	-	-	(89,459)	-	-	(89,459)
Lawsuit expense	-	(2,255,313)	-	-	-	(2,255,313)
Equity loss in joint venture	(55,119)	-	-	-	-	(55,119)
Total Nonoperating Revenues (Expenses)	(1,190,254)	(2,227,084)	(360,521)	24,785	(903,894)	(4,656,968)
Income (Loss) Before Operating Transfers and Capital Contributions	(1,184,994)	(3,322,362)	51,519	(300,394)	(1,753,642)	(6,509,873)
Transfers:						
Transfers in	-	-	1,019,442	-	680,000	1,699,442
Transfers out	-	-	(2,865,701)	-	-	(2,865,701)
Net Income (Loss) Before Capital Contributions	(1,184,994)	(3,322,362)	(1,794,740)	(300,394)	(1,073,642)	(7,676,132)
Capital contributions	588,320	-	-	-	-	588,320
Change In Net Assets	(596,674)	(3,322,362)	(1,794,740)	(300,394)	(1,073,642)	(7,087,812)
Net Assets - Beginning of Year	33,875,198	11,156,818	1,773,858	4,037,655	11,202,464	62,045,993
Net Assets - End of Year	\$ 33,278,524	\$ 7,834,456	\$ (20,882)	\$ 3,737,261	\$ 10,128,822	\$ 54,958,181

See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Major Enterprise Funds					Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Public Improvement Corporation	Central Materials Processing Facility	Recreation	
Cash Flows From Operating Activities:						
Receipts from customers	\$ 7,923,786	\$ 3,399,325	\$ 555,071	\$ 3,350,087	\$ 5,920,396	\$ 21,148,665
Payments to suppliers	(3,116,561)	(1,918,259)	(5,344)	(1,964,383)	(2,058,698)	(9,063,245)
Payment to employees	(3,655,069)	(2,038,192)	-	(1,520,534)	(3,004,330)	(10,218,125)
Other receipts	1,273,443	121,080	-	165,750	(33,979)	1,526,294
Net Cash Provided By (Used In) Operating Activities	2,425,599	(436,046)	549,727	30,920	823,389	3,393,589
Cash Flows Provided By (Used In) Noncapital Financing Activities:						
Advances on (repayments of) internal balances	9,274	(256)	-	30,667	(89,418)	(49,733)
Net Cash Provided by (Used In) Noncapital Financing Activities	9,274	(256)	-	30,667	(89,418)	(49,733)
Cash Flows From Capital and Related Financing Activities:						
Transfers in	-	-	1,019,442	-	680,000	1,699,442
Acquisition and construction of capital assets, net	(3,719,278)	(651,211)	(120,397)	(8,310)	(113,964)	(4,613,160)
Proceeds from sale of capital assets	2,507	25,000	-	22,800	-	50,307
Principal paid on bonds	(1,500,000)	-	(1,480,000)	-	(540,000)	(3,520,000)
Interest paid on bonds	(199,551)	-	(334,371)	-	(898,708)	(1,432,630)
Net Cash Provided Used In Capital and Related Financing Activities	(5,416,322)	(626,211)	(915,326)	14,490	(872,672)	(7,816,041)
Cash Flows Provided By Investing Activities:						
Purchase of investments	-	(5,006,102)	-	-	-	(5,006,102)
Interest received on investments	10,555	10,027	86	1,985	1,358	24,011
Net Cash Provided By Investing Activities	10,555	(4,996,075)	86	1,985	1,358	(4,982,091)
Net Decrease In Cash And Cash Equivalents	(2,970,894)	(6,058,588)	(365,513)	78,062	(137,343)	(9,454,276)
Cash and Cash Equivalents - Beginning of Year	8,740,880	8,711,131	898,725	1,092,842	3,083,116	22,526,694
Cash and Cash Equivalents - End of Year	\$ 5,769,986	\$ 2,652,543	\$ 533,212	\$ 1,170,904	\$ 2,945,773	\$ 13,072,418
Cash and Cash Equivalents - End of Year	\$ 5,769,986	\$ 2,652,543	\$ 533,212	\$ 1,170,904	\$ 2,945,773	\$ 13,072,418
Investments	-	5,006,102	-	-	-	5,006,102
Cash, Cash Equivalents and Investments - End of Year	\$ 5,769,986	\$ 7,658,645	\$ 533,212	\$ 1,170,904	\$ 2,945,773	\$ 18,078,520
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:						
Operating Income (loss)	\$ 5,260	\$ (1,095,278)	\$ 412,040	\$ (325,179)	\$ (849,748)	\$ (1,852,905)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	2,759,674	648,380	143,031	219,724	1,697,019	5,467,828
(Increase) decrease in assets:						
Services receivable	(143,226)	(28,006)	-	(2,211)	-	(173,443)
Miscellaneous receivable	(340,673)	7,910	-	148,207	(12,659)	(197,215)
Inventory	(55)	-	-	92,340	9,682	101,967
Increase (decrease) in liabilities:						
Accounts payable	117,558	28,698	(5,344)	(84,568)	(59,950)	(3,606)
Accrued payroll	3,555	864	-	3,293	19,496	27,208
Accrued vacation	18,251	1,386	-	3,937	16,988	40,562
Deposits held for others	5,025	-	-	(74)	(21,132)	(16,181)
Other liabilities	230	-	-	(24,549)	23,693	(626)
Total Adjustments	2,420,339	659,232	137,687	356,099	1,673,137	5,246,494
Net Cash Provided By (Used In) Operating Activities	\$ 2,425,599	\$ (436,046)	\$ 549,727	\$ 30,920	\$ 823,389	\$ 3,393,589
Noncash Investing, Capital and Financing Activities:						

During fiscal year 2010, the Waterworks/Sanitary Sewer Fund received \$588,320 in contributed water and sewer lines from developers and incurred a \$55,119 equity loss in joint venture.

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, 2010**

ASSETS:

Cash and investments:

Held by trustees:

Money market mutual funds \$ 386,324

Domestic equity investments:

Exchange traded funds 1,543,833

Mutual funds 1,890,696

International equities:

Common stock foreign 65,449

Exchange traded funds 519,143

Mutual funds 389,069

Fixed income investments:

Corporate bonds 239,022

Treasury notes 153,392

Agency notes 765,754

Diversified taxable mutual funds 1,805,750

Alternative investments:

Hedge funds 423,644

Traded real estate 192,254

Commodities 252,355

Receivables, net of allowances:

Interest 9,050

Prepaid items 6,727

Total Assets 8,642,462

LIABILITIES:

Accounts payable 21,747

Deferred revenue 5,958

Total Liabilities 27,705

NET ASSETS:

Held in trust for other post employment benefits \$ 8,614,757

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, 2010**

ADDITIONS:

Contributions:

City of St. Peters	\$ 499,000
Plan members	95,149
Total Contributions	<u>594,149</u>

Investment income:

Interest and dividends	127,815
Net appreciation in the fair value of plan investments	471,044
Total Investment Income	<u>598,859</u>

Total Additions	<u>1,193,008</u>
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DEDUCTIONS:

Benefit payments	<u>277,215</u>
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Administrative and general expenses:

Insurance, taxes and other premiums	95,568
Professional fees	40,939
Total administrative and general expenses	<u>136,507</u>

Total Deductions	<u>413,722</u>
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CHANGE IN NET ASSETS	779,286
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NET ASSETS HELD IN TRUST FOR OTHER POST EMPLOYMENT BENEFITS:

BEGINNING OF YEAR	<u>7,835,471</u>
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END OF YEAR	<u>\$ 8,614,757</u>
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See accompanying notes to basic financial statements

CITY OF ST. PETERS, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2010

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.

CITY OF ST. PETERS, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2010

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. The accounting policies and financial reporting practices of the Foundation conform to accounting principles generally accepted in the United States of America applicable to not-for-profit entities. The Foundation has only one fund. 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)

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Special Allocation - 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.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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 private-sector standards of accounting and financial reporting 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 private-sector guidance 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

CITY OF ST. PETERS, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2010

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.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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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.

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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.

Other Post Employment Benefit Obligation

The City calculates and records a net other post employment benefit obligation (OPEB) in the government-wide and proprietary funds financial statements. The net OPEB is, in general, the cumulative difference between the actuarial required contribution and the actual

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**NOTES TO BASIC FINANCIAL STATEMENTS
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contributions since October 1, 2008, the required date of implementation. The City is not required to and has elected not to retroactively implement GASB 45. Details relating to the City's postretirement health care benefits provided, OPEB liability, and its calculation are provided at Note 13.

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.

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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

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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, 2010, 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, 2010, the City's deposit and investment balances were as follows:

<u>Deposit/Investment Type</u>	<u>Carrying Value</u>
Deposits	\$35,493,705
Money market mutual funds	10,772,314
Treasury obligations	<u>8,015,125</u>
	<u>\$54,281,144</u>

As of September 30, 2010, the discretely presented component unit's investment balances were as follows:

Money market mutual funds	\$ 23,123
United States agencies	265,962
Municipal bonds and notes - tax	88,810
Corporate bonds and notes	137,445
Common stocks	430,143
Equity mutual funds	<u>984,665</u>
	<u>\$1,930,148</u>

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

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Fiduciary Trust Investments:

Money market mutual funds	\$ 386,324
Common stocks	1,543,833
Mutual funds	4,085,515
Treasury obligations	153,392
Agency notes	765,754
Corporate bonds and notes	239,022
Hedge funds	423,644
Traded real estate	192,254
Commodities	252,355
Common stock foreign	65,449
Exchange traded funds - international	<u>519,143</u>
	<u>\$8,626,685</u>

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

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. As of September 30, 2010, the City had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>	
		<u>Less than 1</u>	<u>1 - 5</u>
City:			
Money Market mutual funds	\$ 10,772,314	\$ 10,772,314	\$ -
Treasury obligations	<u>8,015,125</u>	<u>3,196,108</u>	<u>4,819,017</u>
	<u>\$ 18,787,439</u>	<u>\$ 13,968,422</u>	<u>\$ 4,819,017</u>

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.

CITY OF ST. PETERS, MISSOURI

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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 are as follows:

Money market mutual funds	AAAm
Treasury obligations	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, 2010, 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.

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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.

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. Equity strategies may include large, mid and small capitalization investments. International equity strategies may include developed markets and emerging markets investments.
- b. Fixed income, which may be comprised of individually managed bonds, mutual funds and exchange traded funds. Fixed income investments shall consist of U.S. Treasury Government Agencies, Corporate, Mortgage Backed, Taxable Municipal, and Asset Backed Securities. A portion of the fixed income allocation may be invested in international, high yield, and emerging market bond funds.

Interest Rate Risk

As of September 30, 2010, the Trust had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>		
		<u>Not Applicable</u>	<u>Less Than 1</u>	<u>1 - 5</u>
Pension Trust:				
Money Market mutual funds	\$ 386,324	\$ -	\$ 386,324	\$ -
Common stocks	1,543,833	1,543,833	-	-
Mutual funds:				
Domestic equity	1,890,696	1,890,696	-	-
Fixed income	1,805,750	-	1,805,750	-
International equity	389,069	389,069	-	-
Treasury obligations	153,392	-	153,392	-
Agency notes	765,754	-	611,119	154,635
Corporate bonds and notes	239,022	-	239,022	-
Hedge funds	423,644	423,644	-	-
Traded real estate	192,254	192,254	-	-
Commodities	252,355	252,355	-	-
Common stock foreign	65,449	65,449	-	-
Exchanged traded funds - international	519,143	519,143	-	-
	<u>\$ 8,626,685</u>	<u>\$ 5,276,443</u>	<u>\$ 3,195,607</u>	<u>\$ 154,635</u>

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.

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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 subject to credit risk have average ratings by Standard & Poor's or Moody's as follows:

Ratings	Investment Type				
	Money Market Mutual Funds	Mutual Funds	Corporate Bonds and Notes	Treasury Obligations	Agency Notes
AAA	\$ 386,324	\$ -	\$ -	\$ 153,392	\$ 358,011
AA	-	-	76,023	-	-
AA+	-	68,450	-	-	-
AA-	-	1,737,300	-	-	-
A	-	-	50,585	-	-
A+	-	-	76,369	-	-
A-	-	-	36,045	-	-
Not rated	-	2,279,765	-	-	407,743
	<u>\$ 386,324</u>	<u>\$ 4,085,515</u>	<u>\$ 239,022</u>	<u>\$ 153,392</u>	<u>\$ 765,754</u>

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.

As of September 30, 2010, none of the Trust's investments were subject to concentration of credit risk disclosure.

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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 \$.5349 is for general revenue purposes and \$.2351 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, 2010:

	<u>Balance October 1, 2009</u>	<u>Additions and transfers</u>	<u>Retirements and transfers</u>	<u>Balance September 30, 2010</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 137,650,242	\$ 5,484,836	\$ -	\$ 143,135,078
Construction in progress	30,256,448	12,393,135	14,460,928	28,188,655
Total capital assets not being depreciated	<u>167,906,690</u>	<u>17,877,971</u>	<u>14,460,928</u>	<u>171,323,733</u>
Capital assets, being depreciated:				
Structures and improvements	29,068,238	23,505,115	14,065	52,559,288
Machinery and equipment	16,176,196	2,807,020	1,103,217	17,879,999
Furniture and fixtures	1,236,220	295,817	28,628	1,503,409
Vehicles	5,684,034	982,514	307,067	6,359,481
Infrastructure	187,925,801	12,046,462	2,261,070	197,711,193
Total capital assets being depreciated	<u>240,090,489</u>	<u>39,636,928</u>	<u>3,714,047</u>	<u>276,013,370</u>
Less - accumulated depreciation for:				
Structures and improvements	15,066,010	1,658,592	5,157	16,719,445
Machinery and equipment	13,006,683	2,412,705	1,103,217	14,316,171
Furniture and fixtures	1,167,180	46,185	28,628	1,184,737
Vehicles	4,159,961	633,954	302,599	4,491,316
Infrastructure	95,782,247	6,263,151	2,261,070	99,784,328
Total accumulated depreciation	<u>129,182,081</u>	<u>11,014,587</u> **	<u>3,700,671</u>	<u>136,495,997</u>
Total capital assets being depreciated, net	<u>110,908,408</u>	<u>28,622,341</u>	<u>13,376</u>	<u>139,517,373</u>
Governmental activities, capital assets, net	<u>\$ 278,815,098</u>	<u>\$ 46,500,312</u>	<u>\$ 14,474,304</u>	<u>\$ 310,841,106</u>

** Includes \$1,503,815 transfers from a proprietary fund.

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	<u>Balance October 1, 2009</u>	<u>Additions and transfers</u>	<u>Retirements and transfers</u>	<u>Balance September 30, 2010</u>
Business-Type Activities:				
Waterworks/Sanitary Sewer:				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,274,998	\$ 4,615	\$ -	\$ 1,279,613
Construction in progress	9,508,272	1,070,800	9,399,202	1,179,870
Total capital assets not being depreciated	<u>10,783,270</u>	<u>1,075,415</u>	<u>9,399,202</u>	<u>2,459,483</u>
Capital assets, being depreciated:				
Structures and improvements	41,454,297	11,817,590	22,143	53,249,744
Water lines	19,118,963	298,534	-	19,417,497
Sewer lines	15,755,498	320,340	-	16,075,838
Machinery, equipment and vehicles	5,781,894	396,710	96,288	6,082,316
Furniture, fixtures and other assets	24,293	-	-	24,293
Total capital assets being depreciated	<u>82,134,945</u>	<u>12,833,174</u>	<u>118,431</u>	<u>94,849,688</u>
Less: Accumulated depreciation for:				
Structures and improvements	24,152,465	1,621,841	22,143	25,752,163
Water lines	6,169,569	325,283	-	6,494,852
Sewer lines	6,155,592	320,829	-	6,476,421
Machinery, equipment and vehicles	4,241,608	490,216	96,064	4,635,760
Furniture, fixtures and other assets	19,072	1,505	-	20,577
Total accumulated depreciation	<u>40,738,306</u>	<u>2,759,674</u>	<u>118,207</u>	<u>43,379,773</u>
Total capital assets being depreciated, net	<u>41,396,639</u>	<u>10,073,500</u>	<u>224</u>	<u>51,469,915</u>
Waterworks/sanitary sewer capital assets, net	<u>\$ 52,179,909</u>	<u>\$ 11,148,915</u>	<u>\$ 9,399,426</u>	<u>\$ 53,929,398</u>
Solid Waste:				
Capital assets, not being depreciated:				
Land and land rights	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets, being depreciated:				
Structures and improvements	710,634	-	-	710,634
Machinery and equipment	2,134,525	44,568	10,000	2,169,093
Vehicles	3,774,477	1,055,314 *	62,808	4,766,983
Total capital assets being depreciated	<u>6,619,636</u>	<u>1,099,882</u>	<u>72,808</u>	<u>7,646,710</u>
Less: Accumulated depreciation for:				
Structures and improvements	461,632	26,102	-	487,734
Machinery and equipment	1,858,037	104,550	10,000	1,952,587
Vehicles	2,488,519	966,399 *	44,666	3,410,252
Total accumulated depreciation	<u>4,808,188</u>	<u>1,097,051</u>	<u>54,666</u>	<u>5,850,573</u>
Total capital assets being depreciated, net	<u>1,811,448</u>	<u>2,831</u>	<u>18,142</u>	<u>1,796,137</u>
Solid waste capital assets, net	<u>\$ 1,811,448</u>	<u>\$ 2,831</u>	<u>\$ 18,142</u>	<u>\$ 1,796,137</u>

* includes \$448,671 transfers from another proprietary fund

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**NOTES TO BASIC FINANCIAL STATEMENTS
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	<u>Balance October 1, 2009</u>	<u>Additions and transfers</u>	<u>Retirements and transfers</u>	<u>Balance September 30, 2010</u>
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	534,294	120,396	-	654,690
Total capital assets not being depreciated	<u>2,334,294</u>	<u>120,396</u>	<u>1,800,000</u>	<u>654,690</u>
Capital assets, being depreciated:				
Structures and improvements	5,111,271	-	884,831	4,226,440
Machinery, equipment and vehicles	2,125,531	-	2,125,531	-
Furniture and fixtures	7,825	-	7,825	-
Total capital assets being depreciated	<u>7,244,627</u>	<u>-</u>	<u>3,018,187</u>	<u>4,226,440</u>
Less: Accumulated depreciation for:				
Structures and improvements	278,681	36,541	271,290	43,932
Machinery, equipment and vehicles	1,568,413	105,809	1,674,222	-
Furniture and fixtures	6,293	681	6,974	-
Total accumulated depreciation	<u>1,853,387</u>	<u>143,031</u>	<u>1,952,486</u>	<u>43,932</u>
Total capital assets being depreciated, net Public Improvement Corporation capital assets, net	<u>\$ 7,725,534</u>	<u>\$ (22,635)</u>	<u>\$ 2,865,701</u>	<u>\$ 4,837,198</u>
Central Materials Processing Facility:				
Capital assets, not being depreciated:				
Land and land rights	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets, being depreciated:				
Structures and improvements	4,517,476	5,890	-	4,523,366
Machinery and equipment	1,723,269	2,419	93,517	1,632,171
Furniture and fixtures	14,671	-	-	14,671
Vehicles	185,326	-	-	185,326
Total capital assets being depreciated	<u>6,440,742</u>	<u>8,309</u>	<u>93,517</u>	<u>6,355,534</u>
Less: Accumulated depreciation for:				
Structures and improvements	1,987,192	162,992	-	2,150,184
Machinery and equipment	1,566,083	45,556	93,517	1,518,122
Furniture and fixtures	13,724	379	-	14,103
Vehicles	136,738	10,797	-	147,535
Total accumulated depreciation	<u>3,703,737</u>	<u>219,724</u>	<u>93,517</u>	<u>3,829,944</u>
Total capital assets being depreciated, net Central Materials Processing Facility capital assets, net	<u>\$ 2,737,005</u>	<u>\$ (211,415)</u>	<u>\$ -</u>	<u>\$ 2,525,590</u>

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

	<u>Balance October 1, 2009</u>	<u>Additions and transfers</u>	<u>Retirements and transfers</u>	<u>Balance September 30, 2010</u>
Business-Type Activities (continued):				
Recreation:				
Capital assets, not being depreciated:				
Land and land rights	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets, being depreciated:				
Structures and improvements	41,774,566	-	-	41,774,566
Machinery and equipment	2,142,685	111,969	28,896	2,225,758
Furniture and fixtures	248,834	1,997	-	250,831
Total capital assets being depreciated	<u>44,166,085</u>	<u>113,966</u>	<u>28,896</u>	<u>44,251,155</u>
Less: Accumulated depreciation for:				
Structures and improvements	13,057,334	1,491,205	-	14,548,539
Machinery and equipment	1,458,569	201,589	28,896	1,631,262
Furniture and fixtures	228,831	4,225	-	233,056
Total accumulated depreciation	<u>14,744,734</u>	<u>1,697,019</u>	<u>28,896</u>	<u>16,412,857</u>
Total capital assets being depreciated, net	<u>29,421,351</u>	<u>(1,583,053)</u>	<u>-</u>	<u>27,838,298</u>
Recreation capital assets, net	<u>\$ 29,421,351</u>	<u>\$ (1,583,053)</u>	<u>\$ -</u>	<u>\$ 27,838,298</u>

Capitalized interest totaling \$1,489,114 and \$1,343,753 is included in the Recreation Fund and Waterworks/Sanitary Sewer Fund capital assets, respectively.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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

Governmental Activities:

General government	\$ 243,759
Administration	436,438
Police	724,148
Municipal court	2,389
Public works	6,931,289
Engineering	56,014
Vehicle and equipment maintenance	14,098
Health and environmental	31,534
Parks and recreation	913,325
Community relations	79,959
Community and arts	<u>77,819</u>
Total depreciation expense - governmental-type activities	 <u><u>\$ 9,510,772</u></u>

Business-Type Activities:

Waterworks/sanitary sewer	\$ 2,759,674
Solid waste	648,380
Public improvement corporation	143,031
Central materials processing facilities	219,724
Recreation	<u>1,697,019</u>
Total depreciation expense - business-type activities	 <u><u>\$ 5,467,828</u></u>

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.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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 12.2% (general) and 11.4% (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

The City's annual pension cost and net pension obligation for the 2010 plan year were as follows:

Annual required contribution	\$ 2,748,358
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	<u>2,748,358</u>
Actual contributions	<u>2,748,358</u>
Increase (decrease) in NPO	-
NPO beginning of year	-
NPO end of year	<u><u>\$ -</u></u>

The annual required contributed (ARC) was determined as part of the February 28, 2007 and February 29, 2008 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions included: (a) a rate of return on the investment of present and future assets of 7.5% per year, compounded annually, (b) projected salary increases of 4.0% per year, compounded annually, attributable to inflation, (c) additional projected salary increases ranging from 0.0% to 6.0% 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 0 years for men and 0 years for women, and (e) post-retirement mortality based on the 1971 Group Annuity Mortality table for males projected to 2000 set back 1 year for men and 7 years for women. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period as of February 28, 2007 was 15 years for the General division and 15 years for the Police division. The amortization period as of February 29, 2008 was 15 years for the General division and 15 years for the Police division.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Three-Year Trend Information			
Year Ended June 30,	Annual Pension Costs (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	\$ 2,596,265	100%	\$ -
2009	\$ 2,637,314	100%	\$ -
2010	\$ 2,748,358	100%	\$ -

Funded Status and Funding Progress

As of February 28, 2010, the most recent actuarial valuation date, the plan was 67 percent funded. The actuarial accrued liability for benefits was \$67.7 million, and the actuarial value of assets was \$45.6 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$22.1 million. The covered payroll (annual payroll of active employees covered by the plan) was \$22.8 million, and the ratio of the UAAL to the covered payroll was 97 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 Authorized/ Issued Amount	Date of Maturity
General Obligation:		
Series 1999 Refunding	\$ 16,035,000	January 2013
Series 2004 Refunding	9,520,000	March 2016
Series 2007	7,000,000	March 2027
Series 2008	16,000,000	March 2028
Series 2010 Refunding	2,520,000	March 2021
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

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

	Original Authorized/ Issued Amount	Date of Maturity
Revenue Bonds:		
Series 1999	\$ 9,910,000	May 2015
Series 2003	12,970,000	May 2023
Series 2007	21,445,000	May 2032
Series 2009	5,000,000	May 2029
Certificates of Participation:		
Series 2006A	23,100,000	November 2031
Series 2006B	1,525,000	November 2010
Series 2010A	870,000	May 2019
Series 2010B	8,805,000	May 2030
PIC Leasehold Revenue Bonds:		
Series 2003	7,070,000	December 2023
Development Notes (Premier 370 Project)		
Series 2008 A	18,000,000	September 2028

	Balance - October 1, 2009	Additions	Retirements	Balance - September 30, 2010	Current Portion
Governmental Activities					
General Obligation Bonds:					
Series 1999 Refunding	\$ 8,145,000	\$ -	\$ 6,160,000	\$ 1,985,000	\$ 1,985,000
Series 2002	2,500,000	-	2,500,000	-	-
Series 2004 Refunding	8,120,000	-	900,000	7,220,000	1,000,000
Series 2007	7,000,000	-	-	7,000,000	-
Series 2008	16,000,000	-	-	16,000,000	-
Series 2010 Refunding	-	2,520,000	-	2,520,000	20,000
Neighborhood Improvement District Limited General Obligation Bonds					
Series 2006	39,700	-	5,000	34,700	5,000
Annual Appropriation Bonds:					
Tax Increment Revenue Notes:					
Taxable Series 2001	5,423,000	109,000	-	5,532,000	-
Tax-exempt - Series 2001	3,513,000	854,000	-	4,367,000	-
Certificates of Participation:					
Series 2006 A - Refunding portion	2,635,000	-	220,000	2,415,000	230,000
Series 2010 A - Refunding portion	-	870,000	-	870,000	260,000
Series 2010 B - Build America Bonds	-	8,805,000	-	8,805,000	345,000
Development Notes, Series A	10,925,000	1,740,000	310,000	12,355,000	-
OPEB obligation	1,778,000	2,418,715	499,000	3,697,715	-
Compensated absences	1,172,758	1,742,997	1,696,956	1,218,799	1,218,799
	<u>\$ 67,251,458</u>	<u>\$ 19,059,712</u>	<u>\$ 12,290,956</u>	74,020,214	<u>\$ 5,063,799</u>
Add: Unamortized premium				116,155	
Less: Unamortized discount and deferred amount on refunding				(965,868)	
Total Governmental Activities				<u>\$ 73,170,501</u>	

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

	Balance - October 1, 2009	Additions	Retirements	Balance - September 30, 2010	Current Portion
Business -Type Activities:					
Water/Sewer Revenue Bonds:					
Capital Appreciation Series 1999	\$ 6,315,000	\$ -	\$ 1,110,000	\$ 5,205,000	\$ 1,110,000
Capital Appreciation Series 2003	12,740,000	-	255,000	12,485,000	255,000
Capital Appreciation Series 2007	21,265,000	-	135,000	21,130,000	135,000
Revenue Bonds Series 2009	5,000,000	-	-	5,000,000	-
Annual Appropriation Bonds:					
Certificates of Participation:					
Series 2006 A - Tax-exempt	19,825,000	-	-	19,825,000	245,000
Series 2006 B - Taxable	1,015,000	-	540,000	475,000	475,000
PIC Leasehold Revenue Bonds (Note 7):					
Series 2002	1,190,000	-	1,190,000	-	-
Series 2003	5,720,000	-	290,000	5,430,000	300,000
Compensated absences	349,803	663,979	625,489	388,293	388,293
	<u>\$ 73,419,803</u>	<u>\$ 663,979</u>	<u>\$ 4,145,489</u>	<u>69,938,293</u>	<u>\$ 2,908,293</u>
Less: Unamortized discount and deferred amount on refunding				(684,852)	
Unaccreted capital appreciation on bonds				(14,417,292)	
Total Business-Type Activities				<u>\$ 54,836,149</u>	

Debt Service Requirements To Maturity (Including Public Improvement Corporation)

The annual principal requirements to maturity of bonded debt outstanding as of September 30, 2010, assuming the Certificates of Participation lease/purchase agreement is renewed each year, are as follows:

Years Ending September 30	Governmental Activities				Business-Type Activities				Total Debt Service Requirements To Maturity	
	General Obligation and Special Assessment		Annual Appropriation		Revenue Bonds		Annual Appropriation		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2011	\$ 3,010,000	\$ 1,497,030	\$ 835,000	\$ 540,300	\$ 1,500,000	\$ 197,590	\$ 1,020,000	\$ 1,091,790	\$ 6,365,000	\$ 3,326,710
2012	1,200,000	1,303,740	850,000	527,140	1,590,000	197,590	915,000	1,052,040	4,555,000	3,080,510
2013	1,331,000	1,246,180	650,000	507,110	1,695,000	197,590	950,000	1,017,220	4,626,000	2,968,100
2014	1,736,000	1,177,760	660,000	488,680	1,795,000	197,590	980,000	980,310	5,171,000	2,844,340
2015	1,866,000	1,097,990	675,000	466,860	1,930,000	197,590	1,020,000	941,300	5,491,000	2,703,740
2016-2020	8,211,700	4,521,350	3,330,000	1,918,270	10,415,000	920,570	5,745,000	4,032,390	27,701,700	11,392,580
2021-2025	10,150,000	2,724,680	2,305,000	1,269,500	10,905,000	658,980	6,575,000	2,653,970	29,935,000	7,307,130
2026-2030	7,255,000	495,070	2,785,000	535,630	10,555,000	218,280	5,815,000	1,301,600	26,410,000	2,550,580
2031-2033	-	-	-	-	3,435,000	-	2,710,000	124,670	6,145,000	124,670
	<u>\$ 34,759,700</u>	<u>\$ 14,063,800</u>	<u>\$ 12,090,000</u>	<u>\$ 6,253,490</u>	<u>\$ 43,820,000</u>	<u>\$ 2,785,780</u>	<u>\$ 25,730,000</u>	<u>\$ 13,195,290</u>	<u>\$ 116,399,700</u>	<u>\$ 36,298,360</u>

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. \$3,197,773 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 .60% to 5.15% and mature through 2028.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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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 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 3.3% to 5.25% and mature through 2032.

Certificates of Participation

Certificates of Participation ("COPS") evidence proportionate ownership interest in the right to receive rental payments to be paid by the City under various lease/purchase agreements. The American Recovery and Reinvestment Act of 2009 authorizes the City to issue taxable obligations known as "Build America Bonds" to finance capital expenditures for which it could otherwise issue tax-exempt obligations and to elect to receive a subsidy payment, on each payment date, from the United States Treasury equal to 35% of the amount of each

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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interest payment on the Build America Bonds. During 2010, the City made an irrevocable election to issue the Certificates as Build America Bonds. The US Treasury Interest Subsidy will be paid directly to the City. The City intends to apply, but has not pledged, the US Treasury Interest Subsidy to payment of the Certificates. Additionally, no holder of any Build America Bonds issued by the City will be entitled to any federal income tax credits associated with the Build America Bonds.

The purpose of the Series 2010A Certificates is to refund \$1,190,000 principal amount of outstanding PIC Leasehold Revenue Bonds, Series 2002. The Series 2010A Certificates are non-taxable, bear interest at rates ranging from 1.0% to 3.6% and mature May 2019. The purpose of the Series 2010B Certificates (Build America Bonds) is to construct and reconstruct certain roads in the City. The Series 2010B Certificates are taxable, bear interest at rates ranging from 1.25% to 6.25% and mature May 2030.

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 3.75% 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 5.65% and mature November 1, 2010.

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. As of September 30, 2010, the City has issued \$14,520,000 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.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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 - 2009 tax year	<u>\$1,045,969,609</u>
Debt limit - 10% of assessed valuation	<u>104,596,961</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	34,759,700
Less: Amount available in debt service fund	<u>(3,197,773)</u>
Bond indebtedness applicable to debt limit	<u>31,561,927</u>
Legal debt margin	<u>\$ 73,035,034</u>

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 2010, the City made lease payments totaling \$527,306.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
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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 2010, the City made lease payments totaling \$27,765. During the fiscal year 2010, the City refunded the bonds as noted in Note 6. As a result, the debt has been removed from the PIC and the related assets have been transferred to the City.

As of September 30, 2010, a net asset deficit of \$20,882 was reported in the PIC fund. It is intended that this deficit will be eliminated in future years.

8. Debt Defeasance

On May 3, 2010, the City issued \$2,520,000 in General Obligation Refunding Bonds, Series 2010 with interest rates ranging between .60% and 3.10%. The City issued the bonds to advance refund \$2,500,000 of the outstanding principal on the General Obligation Bonds, Series 2002. The net proceeds of \$2,613,595 (after discount of \$10,332 and bond issuance cost of \$37,328) plus an additional \$141,255 of City debt service fund monies were used to purchase United States government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service on the refunded portion of the Series 2002 bonds. As a result, that portion of the Series 2002 bonds is considered defeased, and the City has removed the liability from the government activities statement of net assets. At September 30, 2010 the outstanding balance of the defeased debt is \$2,500,000. The defeased bonds will be redeemed on March 1, 2011.

The advance refunding reduced total debt service payments over the next 10 years by nearly \$432,241. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$234,558, net of \$141,255 cash contribution.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

9. Enterprise Funds Debt Requirements

Cash and cash equivalents and investments restricted at September 30, 2010 are as follows:

Revenue Fund	\$ 51,414
Series 2007 Waterworks and Sewage Bond Project Fund	48,235
Series 2009 Waterworks and Sewage Bond Project Fund	683,171
Series 1999 Waterworks and Sewage Bond Debt Service Fund	462,500
Series 2003 Waterworks and Sewage Bond Debt Service Fund	127,500
Series 2007 Waterworks and Sewage Bond Debt Service Fund	67,500
Series 2009 Waterworks and Sewage Bond Debt Service Fund	98,794
Series 2003 Leasehold Revenue Bonds Reserve Fund	533,211
Depreciation Fund	225,000
Interest Reserve Fund	500,000
Series 2006A Certificate of Participation Reserve Fund	1,318,707 *
Series 2006B Certificate of Participation Reserve Fund	47,501
	<u>\$ 4,163,533</u>

* In addition, \$458,581 is maintained in the general fund.

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.

Series 2007 Waterworks and Sewage Bond Project Fund

Requirements - initial deposit of \$9,629,993 to be used to pay project costs associated with the bond issue.

Series 2009 Waterworks and Sewage Bond Project Fund

Requirements - initial deposit of \$4,851,261 to be used to pay project costs associated with the bond issue.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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 1.

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 2009 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 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.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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, 2010:

	<u>Transfers From</u>	<u>Transfers To</u>	<u>Net Transfers</u>
Major Governmental Funds:			
General	\$ 3,387,763	\$ 5,994	\$ (3,381,769)
Special Allocation - City Centre	5,862,129	-	(5,862,129)
Debt Service	-	5,862,129	5,862,129
Capital Projects	5,994	1,888,321	1,882,327
Nonmajor Governmental Funds:			
Local Parks and Stormwater	200,000	-	(200,000)
Major Enterprise Funds:			
Public Improvement Corporation	2,865,701	1,019,442	(1,846,259)
Recreation	-	680,000	680,000
	<u>\$ 12,321,587</u>	9,455,886	<u>\$ (2,865,701)</u>
Government-wide transfers		<u>2,865,701</u>	
		<u>\$ 12,321,587</u>	

Interfund transfer of \$1,000,061 was made to Capital Projects Fund for Premier 370 infrastructure.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Interfund transfers totaling \$680,000 were made to the Recreation Fund for expansion and operating support.

Interfund transfer of \$400,000 was made to the Capital Projects Fund for the Justice Center.

A transfer totaling \$5,862,129 was made to the Debt Service Fund for the Series 1999 General Obligation Bonds.

Interfund transfer of \$5,994 was made to the general fund to close the old town levee project.

Interfund transfer of \$488,260 was made to the Capital Project Fund for Lakeside 370 Park for Park Development.

Interfund transfer of \$1,019,442 was made to the Public Improvement Fund to early extinguish debt from governmental activities.

A transfer totaling \$2,865,701 was made to transfer assets from a proprietary fund to the governmental activities who has assumed responsibility for the related debt.

Individual fund interfund receivable and payable balances as of September 30, 2010 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Governmental Funds:		
General	\$ 357,446	\$ -
Transportation Trust	-	839
Special Allocation - City Centre	2,439	-
Debt Service	-	2,439
Nonmajor Governmental Funds:		
Community Development Block Grant	-	67,154
Neighborhood Improvement District	-	15
Sewer Lateral Repair Program	-	126
Major Enterprise Funds:		
Waterworks/Sanitary Sewer	-	204,760
Solid Waste	-	18,824
Central Materials Processing Facility	-	48,628
Recreation	-	17,100
	<u>\$ 359,885</u>	<u>\$ 359,885</u>

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

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, 2010 include \$17,100 in the Recreation Fund, \$839 in the Transportation Trust Fund, \$18,824 in the Solid Waste Fund, \$35,679 in the Waterworks/Sanitary Sewer Fund and \$48,628 in the Central Materials Processing Facility Fund are for reimbursement to the General Fund for insurance expense.

Interfund payables of \$67,154 in the CDBG Fund, \$15 in the Neighborhood Improvement District Fund and \$169,081 in the Waterworks/Sanitary Sewer Fund are due to the elimination of negative cash balances.

Interfund payables of \$2,439 in the Debt Service Fund are for reimbursement to the Special Allocation - City Centre Fund for the Series 1999 General Obligation Bonds.

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, 2010 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 2010, the City of St. Peters, Missouri purchased water from the Joint Venture and paid related pumping charges totaling \$739,862. These costs are included as operating expenses of the City's waterworks/sanitary sewer enterprise fund.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Condensed summary of financial information for the Joint Venture as of and for its fiscal year ended September 30, 2010 is as follows:

Assets	<u>\$ 6,698,864</u>
Liabilities	\$ 560,213
Partnership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Accumulated deficit:	
St. Peters	(951,611)
St. Charles	<u>(2,040,868)</u>
	<u>\$ 6,698,864</u>
Operating revenue	\$ 1,645,291
Operating expenses	(1,805,819)
Nonoperating revenue	<u>1,965</u>
Net Loss	<u>\$ (158,563)</u>

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, 2010, the City's total estimated liability for payment of incurred (both reported and unreported) but unpaid claims for workers' compensation, property, and medical costs were \$975,831.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Changes in the self-insured claims liabilities at September 30, 2010 and 2009 were as follows:

	Workers' Compensation/ General	Medical	Total
Balance - October 1, 2008	\$ 445,077	\$ 600,000	\$ 1,045,077
Add: Current Year Claims And Changes in Estimate	403,799	3,051,456	3,455,255
Less: Claim Payments	479,435	3,051,456	3,530,891
Balance - September 30, 2009	369,441	600,000	969,441
Add: Current Year Claims And Changes in Estimate	423,015	4,280,561	4,703,576
Less: Claim Payments	427,625	4,269,561	4,697,186
Balance - September 30, 2010	\$ 364,831	\$ 611,000	\$ 975,831

13. Postemployment Health Care Benefits

Plan Description

The City of St. Peters (City) sponsors a Postemployment Benefit Plan (Plan), which is a single-employer defined benefit healthcare plan administered by the City of St. Peters. The Plan is accounted for as a trust fund since an irrevocable trust has been established. A stand-alone financial report is not available for the Plan. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. In order to be eligible, retirees must be at least age 55 (age 50 for Police employees) with 5 years of service, or have at least 80 points (age plus service), or be otherwise eligible to retire under the LAGERS Pension Plan. Spouses of retirees are eligible to continue participation after the death of the retiree.

Membership consisted of the following at September 30, 2009, the date of the latest actuarial valuation:

Active plan members	385
Retirees and beneficiaries	85
Terminated plan members entitled to but not yet receiving benefits	--
Total	<u>470</u>

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the City; however, the City has no obligation to contribute to the Plan on an annual basis or to provide post employment benefits to its employees. Money held in the trust is restricted for the provision of those benefits. For the fiscal year 2010, the City contributed \$499,000 to the Plan. Plan members receiving benefits contributed approximately \$95,000 through required contributions based on their years of service.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the fiscal year, the amount actually contributed to the Plan, and changes in the City's net OPEB obligation (NOO):

1. Annual required contribution (ARC)	\$2,437,542
2. Interest on net OPEB obligation (NOO)	124,489
3. Adjustment to ARC (Amortization of NOO)	<u>(143,316)</u>
4. Annual OPEB cost (expense), (1) + (2) + (3)	2,418,715
5. Employer contributions made	<u>(499,000)</u>
6. Change in net OPEB obligation, (4) + (5)	1,919,715
7. Net OPEB obligation - beginning of year	<u>1,778,000</u>
8. Net OPEB obligation - end of year, (6) + (7)	<u>\$3,697,715</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual	
		OPEB Cost Contributed	Net OPEB Obligation
2008	N/A	N/A	N/A
2009	\$ 2,244,000	20.8%	\$ 1,778,000
2010	\$ 2,418,715	20.6%	\$ 3,697,715

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

Funded Status and Funding Progress

As of September 30, 2009, the most recent actuarial valuation date, the plan was 32.9% funded. The actuarial accrual liability for benefits was \$23.9 million, and the actuarial value of assets was \$7.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$16.0 million. The covered payroll (annual payroll of active employees covered by the plan) was \$25.9 million, and the ratio of the UAAL to the covered payroll was 62 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information 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 accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the September 30, 2009, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 7.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5% after 20 years. Both rates included a 4% inflation assumption. The actuarial value of assets was set equal to the market value of assets. The UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at September 30, 2010, was 29 years.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

14. Commitments And Contingencies

Litigation

A lawsuit captioned James P. Davis, et al., v. City of St. Peters, Missouri, et al., was filed on August 17, 2007, in the Circuit Court of St. Louis County, Missouri, under which plaintiffs sought damages relating to the City's use of an abandoned quarry pit acquired in 1989 and the sale of that quarry pit to a third party in 2003. Plaintiffs alleged breach of a 1989 Sale Agreement, breach of a First Refusal Agreement, breach of a duty of good faith and fair dealing against the City, conspiracy and fraud. Plaintiffs asserted the Sale Agreement, under which the City purchased the abandoned quarry pit intending to develop a solid waste landfill, provided the City would pay certain amounts to Quarry Holding Company ("QHC"), the seller of the quarry pit, when waste handling operations commenced. At the time of the purchase of the quarry pit, the City and QHC also entered into a right of first refusal agreement under which QHC received the right to repurchase the property from the City if the City ceased to accept solid waste at the site prior to formal closure of the anticipated solid waste landfill. The City never received a permit to operate a solid waste landfill at the site and, accordingly, never paid any amounts to QHC and did not offer the property to QHC when the City received an offer from a third party (Metro Fill Development, LLC) for the property. In 1999, it used a portion of the site as a repository of clean fill generated from the City's street-repair operations. Immediately prior to Trial, plaintiffs dismissed the tort claims and a bench trial was conducted on March 3 through March 6, 2009, on plaintiffs' claims for breach of contract relating to the right of first refusal and payment under the Sale Agreement. On April 9, 2009, the Trial Court entered judgment against the City and co-defendant Metro Fill Development, LLC, and in favor of QHC. The Trial Court denied, with prejudice, the remaining claims of plaintiffs and dismissed the other defendants. Under the Judgment, the Trial Court held the City liable to QHC for \$350,000 on QHC's claim that the City breached the Right-Of-First Refusal Agreement, and liable to QHC for \$2,230,769.82 for breach of the Sale Agreement, representing amounts the City allegedly failed to pay as gate fees to QHC for its use of the site. The Court held Metro Fill Development, LLC, jointly and severally liable with the City for \$1,266,471.90 of the \$2,230,769.82, representing gate fees owed to QHC during the period of Metro Fill's ownership of the abandoned quarry. Prior to appeal, Metro Fill Development settled with plaintiffs, paying \$637,890.96. On May 22, 2009, the City appealed the Trial Court's Judgment. The City sought reversal of the entire judgment. On August 31, 2010, the Court of Appeals affirmed the judgment in a per curium order. The Court of Appeals subsequently denied the City's motion requesting a rehearing by the Court of Appeals or, alternatively, requesting transfer to the Missouri Supreme Court for rehearing. On December 21, 2010, the Missouri Supreme Court declined to accept the case for review. Since remand to the Circuit Court of St. Louis County, issues have arisen regarding the obligation of the City to pay the judgment amount to QHC, which was dissolved and appears to have filed its final federal tax return in 1991. QHC has served garnishments on multiple parties with relationship to the City. Interest continues to accrue on the Judgment amount at the rate of 9% per annum. At this time, the final amount of the judgment the City may pay is not known with reasonable certainty.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

The City has accrued a liability in this matter in the amount of \$2,255,313 which is included in claims payable in the Solid Waste fund in the accompanying basic financial statements.

A lawsuit captioned Clarendon America Insurance Company v. City of St. Peters, St. Charles Quarry, L.L.C., Metro Fill Development, L.L.C., James P. Davis and Community Title Company, was filed on July 14, 2008, by Clarendon America Insurance Company ("Clarendon") requesting a declaration of its obligations to provide defense costs and indemnity to the City in response to the City's request for defense costs associated with the lawsuit, James P. Davis, et al. v. City of St. Peters, et al., referenced above (the "Davis Lawsuit"). After the entry of the April 9, 2009, Judgment in the Davis Lawsuit, Clarendon moved for summary judgment. The Court denied the motion and the City then joined Lexington Insurance Company asserting claims for indemnity and reimbursement of the costs of defense incurred in connection with the Davis Lawsuit. The City also asserted a claim against Clarendon for indemnity and reimbursement of the costs of defense incurred in connection with the Davis Lawsuit. Against both insurers, the City also requests damages for vexatious refusal seeking payment of the Judgment entered against the City in the Davis Lawsuit. Discovery has commenced, and the City has requested a trial date, but discovery is incomplete at this stage, and it is not possible at this time to assess the likelihood of any outcome in this matter.

On May 11, 2009, Plaintiff Metro Fill Development, L.L.C. f/k/a St. Peters Quarry, L.L.C. ("Metro Fill") filed a lawsuit against Defendant, Lawyer's Title Insurance Corporation ("Lawyers Title") alleging breach of a title insurance contract, vexatious refusal to pay and fraud. Metro Fill asserted it is entitled to indemnity for its costs of defense and the amount it paid in settlement in the Davis Lawsuit. The City joined the lawsuit in September 2009 asserting its claims that it is a third-party beneficiary under the policy, requesting an equitable lien in favor of the City for payment of amounts under the Judgment in the Davis Lawsuit be imposed on any proceeds of insurance awarded to Metro Fill under its claims against Lawyers Title, asserting that Lawyers Title and NRT Settlement Services of Missouri d/b/a U.S. Title Guaranty Company of St. Charles ("US Title") negligently misrepresented the marketability of title to the City and that the City was damaged thereby and asserting a breach of contract claim against Metro Fill for payment by Metro Fill of its obligation owed to the City in the underlying contract under which Metro Fill purchased the property from the City to indemnify and hold harmless the City for costs of defense and damages in any action brought by the plaintiffs in the Davis Lawsuit. Discovery has commenced and a trial date is set for August 2011. It is not possible at this time to assess the likelihood of any outcome in this matter.

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

CITY OF ST. PETERS, MISSOURI

NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2010

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. As discovery is incomplete and due to the factual disputes involved counsel for the City is 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 trial is set for April 2011.

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 \$14.8 million at September 30, 2010.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

15. Conduit Debt

During the year ended September 30, 2010, the City authorized the issuance of up to \$26,500,000 in Taxable Industrial Development Revenue Bonds to finance an industrial development project for a Company in the City. The project consists of the Company's acquisition and installation of manufacturing machinery and equipment for use on the project site. The Company conveyed to the City title to the site on which the industrial project will be located and the personal property included in the project. At the same time, the City leased the project site, improvements thereon and the personal property, including the project, back to the Company pursuant to a lease agreement. These bonds are secured by the property financed and are payable solely from revenues received from the project. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, County, State of Missouri, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying basic financial statements. At September 30, 2010, \$1,653,823 of these Taxable Industrial Revenue Bonds have been issued and remain outstanding. Subsequent to September 30, 2010, an additional \$8,895,707 was issued and remains outstanding.

As part of the agreement, the Company has agreed to maintain a certain headcount for specified periods and the City has agreed to extend tax abatements to the Company for the years 2011-2017.

16. Subsequent Events

Subsequent to September 30, 2010, the City issued additional Development Notes (Series A) totaling \$60,000. The notes represent special limited obligations of the City and are payable from pledged revenues as described in Note 6.

Subsequent to September 30, 2010, the City issued \$3,790,000 General Obligation Bonds, Series 2010B, for the purpose of storm water projects. The bonds bear interest at rates ranging from 3.25% to 3.60% and mature September 1, 2030.

Subsequent to September 30, 2010, the City issued \$1,725,000 Refunding Certificates of Participation, Series 2010C, for the purpose of refunding a portion of the outstanding Leasehold Revenue Bonds, Series 2003 issued by the City of St. Peters Public Improvement Corporation. The Certificates bear interest at rates ranging from 2.0% to 3.75% and mature June 1, 2024.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010**

17. Recent Accounting Pronouncements

The accounting principles governing the reported amounts, presentation and related disclosures are subject to change from time to time based on new pronouncements and/or rules issued by various governing bodies. The Government Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments

In February 2009, the GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for periods beginning after June 15, 2010.

In March 2009, the GASB issued Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." The objective of this Statement is to incorporate the hierarchy of GAAP for state and local governments into the GASB's authoritative literature. The GAAP hierarchy consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. The requirements in this Statement are effective upon its issuance.

In March 2009, the GASB issued Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards." The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles: (1) related party transactions, (2) going concern considerations, and (3) subsequent events. This Statement does not establish new accounting standards but rather incorporates the existing guidance into the GASB standards. The requirements in this Statement are effective upon its issuance.

In June 2010, the GASB issued Statement No. 59, "Financial Instruments Omnibus." The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The requirements in this Statement are effective for periods beginning after June 15, 2010.

The effects on the City's financial statements as a result of the adoption of these new pronouncements are unknown.

Required Supplementary Information

CITY OF ST. PETERS, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION
BUDGET BASIS - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget		
Revenues				
Sales tax	\$ 11,400,000	\$ 11,000,000	\$ 11,106,737	\$ 106,737
Property tax	5,964,200	5,964,200	6,001,865	37,665
Utility franchise tax	3,654,800	3,454,800	3,601,570	146,770
Cigarette tax	231,800	231,800	223,484	(8,316)
Licenses and permits	1,204,900	1,204,900	1,092,659	(112,241)
Interest	150,000	50,000	14,361	(35,639)
Intergovernmental	3,838,900	3,902,100	3,623,393	(278,707)
Fines and forfeitures	2,695,400	2,695,400	2,521,997	(173,403)
Charges for services	463,600	463,600	565,466	101,866
Miscellaneous	193,100	193,100	280,310	87,210
Total Revenues	29,796,700	29,159,900	29,031,842	(128,058)
Expenditures				
General government	1,664,400	1,664,400	1,734,897	(70,497)
Administration	4,494,590	4,543,890	4,230,232	313,658
Police	10,916,157	10,916,157	10,747,176	168,981
Municipal court	482,400	482,400	463,780	18,620
Public works	3,258,405	3,258,405	3,187,601	70,804
Engineering	2,772,008	2,772,008	2,545,135	226,873
Maintenance	817,320	817,320	771,920	45,400
Health	663,066	663,066	588,037	75,029
Parks and recreation	5,123,085	5,123,085	4,795,151	327,934
Community relations	985,160	985,160	925,277	59,883
Community and arts	217,960	217,960	212,144	5,816
Capital outlay	3,142,760	3,205,960	2,045,708	1,160,252
Debt service:				
Principal	280,000	280,000	220,000	60,000
Interest and fiscal charges	45,000	45,000	99,255	(54,255)
Other	-	-	10,565	(10,565)
Total Expenditures	34,862,311	34,974,811	32,576,878	2,397,933
Revenues Under Expenditures	(5,065,611)	(5,814,911)	(3,545,036)	2,269,875
Other Financing Sources (Uses):				
Transfers in	-	-	5,994	5,994
Transfers out	(1,049,669)	(1,805,700)	(2,368,321)	(562,621)
Proceeds from sale of bonds	-	-	100,123	100,123
Total Other Financing Sources (Uses)	(1,049,669)	(1,805,700)	(2,262,204)	(456,504)
Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	(6,115,280)	(7,620,611)	(5,807,240)	1,813,371
Fund Balances				
Budget basis:				
Unreserved:				
Beginning of year	8,493,864	8,493,864	8,493,864	-
Transfer from (to) reserved	723,293	1,791,776	1,909,608	117,832
End of year	3,101,877	2,665,029	4,596,232	1,931,203
Reserved:				
Beginning of year	3,257,768	3,257,768	3,257,768	-
Transfer from (to) unreserved	(723,293)	(1,791,776)	(1,909,608)	(117,832)
End of Year	2,534,475	1,465,992	1,348,160	(117,832)
Budget basis, end of year	\$ 5,636,352	\$ 4,131,021	5,944,392	\$ 1,813,371
Budget basis grant revenue			(42,160)	
Encumbrances, end of year			754,166	
Property tax - deferred revenue, end of year			(128,681)	
GAAP basis, end of year			\$ 6,527,717	

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, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget		
Revenues				
Sales tax	\$ 5,700,000	\$ 5,500,000	\$ 5,553,380	\$ 53,380
Interest	66,000	66,000	4,903	(61,097)
Intergovernmental	6,560,000	12,262,427	9,061,071	(3,201,356)
Miscellaneous	2,000,000	2,974,950	48,607	(2,926,343)
Total Revenues	<u>14,326,000</u>	<u>20,803,377</u>	<u>14,667,961</u>	<u>(6,135,416)</u>
Expenditures				
Public works	3,092,920	3,319,920	2,926,069	393,851
Street construction	10,584,600	16,293,755	11,004,983	5,288,772
Debt service	1,650,000	1,650,000	1,124,989	525,011
Total Expenditures	<u>15,327,520</u>	<u>21,263,675</u>	<u>15,056,041</u>	<u>6,207,634</u>
Revenues Under Expenditures	<u>(1,001,520)</u>	<u>(460,298)</u>	<u>(388,080)</u>	<u>72,218</u>
Other Financing Sources:				
Proceeds from debt issuance	-	-	706,157	706,157
Total Other Financing Sources:	<u>-</u>	<u>-</u>	<u>706,157</u>	<u>706,157</u>
Revenues and Other Financing Sources Under Expenditures and Other Financing Uses	<u>(1,001,520)</u>	<u>(460,298)</u>	<u>318,077</u>	<u>778,375</u>
Fund Balances				
Budget basis:				
Unreserved:				
Beginning of year	3,254,361	3,254,361	3,254,361	-
Transfer from (to) reserved	-	-	(628,623)	(628,623)
End of year	<u>2,252,841</u>	<u>2,794,063</u>	<u>2,943,815</u>	<u>149,752</u>
Reserved:				
Beginning of year	-	-	-	-
Transfer from (to) reserved	-	-	628,623	628,623
End of year	<u>-</u>	<u>-</u>	<u>628,623</u>	<u>628,623</u>
Budget basis, end of year	<u>\$ 2,252,841</u>	<u>\$ 2,794,063</u>	3,572,438	<u>\$ 778,375</u>
Budget basis grant revenue			(5,523,899)	
Encumbrances, end of year			<u>6,938,032</u>	
GAAP basis, end of year			<u>\$ 4,986,571</u>	

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, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget		
Revenues				
Sales tax	\$ 2,570,450	\$ 2,393,090	\$ 2,674,461	\$ 281,371
Property tax	2,577,800	3,080,877	3,080,877	-
Utility franchise tax	-	-	2,147	2,147
Interest	120,000	45,000	44,802	(198)
Total Revenues	<u>5,268,250</u>	<u>5,518,967</u>	<u>5,802,287</u>	<u>283,320</u>
Expenditures				
General government	70,000	1,042,311	763,550	278,761
Debt service	707,000	718,763	717,830	933
Total Expenditures	<u>777,000</u>	<u>1,761,074</u>	<u>1,481,380</u>	<u>279,694</u>
Revenues Over Expenditures	<u>4,491,250</u>	<u>3,757,893</u>	<u>4,320,907</u>	<u>563,014</u>
Other Financing Uses:				
Transfers out	(5,955,000)	(5,955,000)	(5,862,129)	92,871
Total Other Financing Uses	<u>(5,955,000)</u>	<u>(5,955,000)</u>	<u>(5,862,129)</u>	<u>92,871</u>
Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>(1,463,750)</u>	<u>(2,197,107)</u>	<u>(1,541,222)</u>	<u>655,885</u>
Fund Balances				
Budget basis:				
Unreserved:				
Beginning of year	3,476,843	3,476,843	3,476,843	-
Transfers from (to) reserved	(1,066,000)	(188,474)	(317,946)	(129,472)
End of year	<u>947,093</u>	<u>1,091,262</u>	<u>1,617,675</u>	<u>526,413</u>
Reserved:				
Beginning of year	4,424,325	4,424,325	4,424,325	-
Transfers from (to) reserved	1,066,000	188,474	317,946	129,472
End of year	<u>5,490,325</u>	<u>4,612,799</u>	<u>4,742,271</u>	<u>129,472</u>
Budget basis, end of year	<u>\$ 6,437,418</u>	<u>\$ 5,704,061</u>	<u>6,359,946</u>	<u>\$ 655,885</u>
Encumbrances, end of year			-	
GAAP basis, end of year			<u>\$ 6,359,946</u>	

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

CITY OF ST. PETERS, MISSOURI

**NOTES TO BUDGETARY COMPARISON INFORMATION
SEPTEMBER 30, 2010**

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.

CITY OF ST. PETERS, MISSOURI

**NOTES TO BUDGETARY COMPARISON INFORMATION (CONTINUED)
SEPTEMBER 30, 2010**

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 - EMPLOYEES' RETIREMENT SYSTEM
SEPTEMBER 30, 2010**

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%
February 28, 2009	41,957,250	63,353,591	21,396,341	66%	21,829,422	98%
February 28, 2010	45,636,705	67,734,767	22,098,062	67%	22,752,065	97%

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.

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF FUNDING PROGRESS AND CONTRIBUTIONS -
OTHER POST-EMPLOYMENT BENEFIT PLAN
SEPTEMBER 30, 2010**

The following required supplementary information relates to the City's other post-employment benefits program. The City implemented GASB Statement No. 45 for the year ended September 30, 2009; therefore, information for prior years is not available.

Schedule of Funding Progress:

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability	(b-a) Unfunded Actuarial Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
9/30/07	N/A	N/A	N/A	N/A	N/A	N/A
9/30/08	\$ 6,910,000	\$ 21,450,000	\$ 14,540,000	32.2%	\$24,765,000	58.71%
9/30/09	\$ 7,858,000	\$ 23,863,000	\$ 16,005,000	32.9%	\$25,860,000	61.89%

Schedule of Employer Contributions:

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2008	N/A	N/A
2009	\$ 2,244,000	20.80%
2010	\$ 2,418,715	20.60%

Note: The results shown above are based on plan provisions and long-term assumptions and methods summarized in Note 13.

See accompanying independent auditors' report

Other Supplementary Information

**Combining And Individual Fund
Financial Statements And Schedules**

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.

CITY OF ST. PETERS, MISSOURI

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2010**

	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	Total
			Old Town	Lakeside Redevelop- ment				
Assets:								
Cash and cash investments:								
Held by trustees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	50,080	1,696,585	3,756,497	120,498	-	-	1,458,473	7,082,133
Receivables, net of allowances where applicable:								
Taxes	-	-	-	-	-	-	106,129	106,129
Intergovernmental	-	-	-	-	74,281	-	-	74,281
Accrued interest	-	4,167	-	-	-	-	-	4,167
Other	-	4,284	18,978	12,765	209,992	32,355	-	278,374
Long-term receivables	-	-	-	-	695,926	-	-	695,926
Total Assets	\$ 50,080	\$ 1,705,036	\$ 3,775,475	\$ 133,263	\$ 980,199	\$ 32,355	\$ 1,564,602	\$ 8,241,010
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable	\$ 21,632	\$ 82,376	\$ 2,294	\$ -	\$ 7,127	\$ -	\$ 37,862	\$ 151,291
Accrued liabilities	-	1,093	-	-	-	-	-	1,093
Deposits/guarantee bonds	-	2,100	-	-	-	-	-	2,100
Due to other funds	-	126	-	-	67,154	15	-	67,295
Deferred revenue	-	-	-	-	-	31,730	-	31,730
Total Liabilities	21,632	85,695	2,294	-	74,281	31,745	37,862	253,509
Fund Balances:								
Reserved for:								
Encumbrances	-	219,251	1,243,986	-	-	-	89,727	1,552,964
Debt service	-	-	-	-	-	-	335,000	335,000
Long-term loans	-	-	-	-	695,926	-	-	695,926
Unreserved, reported in:								
Special revenue funds	28,448	1,400,090	2,529,195	133,263	209,992	610	1,102,013	5,403,611
Total Fund Balances	28,448	1,619,341	3,773,181	133,263	905,918	610	1,526,740	7,987,501
Total Liabilities and Fund Balances	\$ 50,080	\$ 1,705,036	\$ 3,775,475	\$ 133,263	\$ 980,199	\$ 32,355	\$ 1,564,602	\$ 8,241,010

See accompanying independent auditors' report

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, 2010**

	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	Total
			Old Town	Lakeside Redevelop- ment				
Revenues:								
Sales tax	\$ -	\$ -	\$ 288,499	\$ 79	\$ -	\$ -	\$ 1,096,321	\$ 1,384,899
Property tax	-	-	635,526	31,229	-	-	-	666,755
Interest	77	5,326	10,429	183	-	2	2,008	18,025
Intergovernmental	-	-	-	-	269,959	-	-	269,959
Charges for services	-	515,225	-	-	300	-	-	515,525
Miscellaneous	-	-	-	-	-	6,975	5	6,980
Total Revenues	77	520,551	934,454	31,491	270,259	6,977	1,098,334	2,862,143
Expenditures:								
General government	-	-	98,794	1,631	301,342	-	-	401,767
Public works	-	796,492	325,728	-	-	-	455,974	1,578,194
Parks and recreation	-	-	-	-	-	-	185,157	185,157
Capital outlay	21,632	-	-	-	-	-	58,795	80,427
Debt service:								
Principal retirement	-	-	-	-	-	5,000	-	5,000
Interest and fiscal charges	-	-	-	294	-	2,088	-	2,382
Total Expenditures	21,632	796,492	424,522	1,925	301,342	7,088	699,926	2,252,927
Other Financing Sources (Uses):								
Transfers out	-	-	-	-	-	-	(200,000)	(200,000)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(200,000)	(200,000)
Net Changes In Fund Balances	(21,555)	(275,941)	509,932	29,566	(31,083)	(111)	198,408	409,216
Fund Balances:								
Beginning of year	50,003	1,895,282	3,263,249	103,697	937,001	721	1,328,332	7,578,285
End of year	\$ 28,448	\$ 1,619,341	\$ 3,773,181	\$ 133,263	\$ 905,918	\$ 610	\$ 1,526,740	\$ 7,987,501

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

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

Page 1 of 2

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 288,499	\$ 38,499
Property tax	-	-	-	-	-	-	565,800	635,526	69,726
Interest	-	77	77	10,000	5,326	(4,674)	15,000	10,429	(4,571)
Intergovernmental	-	-	-	-	-	-	-	64,288	64,288
Charges for services	-	-	-	540,000	515,225	(24,775)	-	-	-
Total Revenues	-	77	77	550,000	520,551	(29,449)	830,800	998,742	167,942
Expenditures:									
General government	-	-	-	-	-	-	94,341	98,794	(4,453)
Public works	-	-	-	793,000	706,020	86,980	-	1,463,055	(1,463,055)
Capital outlay	49,824	21,632	28,192	-	-	-	3,758,979	-	3,758,979
Total Expenditures	49,824	21,632	28,192	793,000	706,020	86,980	3,853,320	1,561,849	2,291,471
Revenues Over (Under) Expenditures	(49,824)	(21,555)	28,269	(243,000)	(185,469)	57,531	(3,022,520)	(563,107)	2,459,413
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	50,003	50,003	-	1,585,559	1,585,559	-	3,156,590	3,156,590	-
End of year	179	28,448	28,269	1,342,559	1,400,090	57,531	134,070	2,593,483	2,459,413
Budget basis, end of year	\$ 179	28,448	\$ 28,269	\$ 1,342,559	1,400,090	\$ 57,531	\$ 134,070	2,593,483	\$ 2,459,413
Budget basis grant revenue	-	-	-	-	-	-	-	(64,288)	-
Encumbrances, end of year	-	-	-	-	219,251	-	-	1,243,986	-
GAAP basis, end of year		\$ 28,448			\$ 1,619,341			\$ 3,773,181	

See accompanying independent auditors' report

CITY OF ST. PETERS, MISSOURI

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

Page 2 of 2

FOR THE YEAR ENDED SEPTEMBER 30, 2010

	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	\$ 6,922	\$ 79	\$ (6,843)	\$ -	\$ -	\$ -	\$ 1,100,000	\$ 1,096,321	\$ (3,679)
Property tax	31,000	31,229	229	-	-	-	-	-	-
Interest	1,500	183	(1,317)	-	-	-	2,000	2,008	8
Intergovernmental	-	-	-	341,793	269,958	(71,835)	-	-	-
Charges for services	-	-	-	-	300	300	-	-	-
Miscellaneous	-	-	-	-	-	-	-	5	5
Total Revenues	39,422	31,491	(7,931)	341,793	270,258	(71,535)	1,102,000	1,098,334	(3,666)
Expenditures:									
General government	10,217	1,631	8,586	344,080	272,545	71,535	-	-	-
Public works	-	-	-	-	-	-	583,250	397,564	185,686
Parks and recreation	-	-	-	-	-	-	193,000	185,157	7,843
Capital outlay	-	-	-	-	-	-	100,000	56,440	43,560
Debt service	-	294	(294)	-	-	-	-	-	-
Total Expenditures	10,217	1,925	8,292	344,080	272,545	71,535	876,250	639,161	237,089
Other Financing Sources (Uses):									
Transfers out	-	-	-	-	-	-	(200,000)	(200,000)	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(200,000)	(200,000)	-
Revenues Over (Under) Expenditures	29,205	29,566	361	(2,287)	(2,287)	-	25,750	259,173	233,423
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	103,697	103,697	-	2,287	2,287	-	847,840	847,840	-
Transfers from (to) reserved	-	-	-	-	-	-	(5,000)	(5,000)	-
End of year	132,902	133,263	361	-	-	-	868,590	1,102,013	233,423
Reserved:									
Beginning of year	-	-	-	-	-	-	330,000	330,000	-
Transfers from (to) reserved	-	-	-	-	-	-	5,000	5,000	-
End of year	-	-	-	-	-	-	335,000	335,000	-
Budget basis, end of year	\$ 132,902	133,263	\$ 361	\$ -	-	\$ -	\$ 1,203,590	1,437,013	\$ 233,423
GAAP basis receivable	-	-	-	-	905,918	-	-	-	-
Encumbrances, end of year	-	-	-	-	-	-	-	89,727	-
GAAP basis, end of year	\$ 133,263	133,263	-	\$ 905,918	905,918	-	\$ 1,526,740	1,526,740	-

See accompanying independent auditors' report

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, 2010**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Property tax	\$ 2,454,400	\$ 2,486,612	\$ 32,212
Interest	8,000	10,550	2,550
Miscellaneous	68,000	65,813	(2,187)
Total Revenues	<u>2,530,400</u>	<u>2,562,975</u>	<u>32,575</u>
Expenditures:			
Debt service	<u>8,987,225</u>	<u>8,892,139</u>	<u>95,086</u>
Total Expenditures	<u>8,987,225</u>	<u>8,892,139</u>	<u>95,086</u>
Revenues Under Expenditures	(6,456,825)	(6,329,164)	127,661
Other Financing Sources			
Transfers in	<u>5,955,000</u>	<u>5,862,129</u>	<u>(92,871)</u>
Total Other Financing Sources	<u>5,955,000</u>	<u>5,862,129</u>	<u>(92,871)</u>
Revenues and Other Financing Sources Over Expenditures	(501,825)	(467,035)	34,790
Fund Balances:			
Budget basis:			
Unreserved:			
Beginning of year	<u>3,721,366</u>	<u>3,721,366</u>	<u>-</u>
End of year	<u>3,219,541</u>	<u>3,254,331</u>	<u>34,790</u>
Budget basis, end of year	<u>\$ 3,219,541</u>	3,254,331	<u>\$ 34,790</u>
Property tax - deferred revenue, end of year		<u>(56,558)</u>	
GAAP basis, end of year		<u>\$ 3,197,773</u>	

See accompanying independent auditors' report

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, 2010**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Water and sewer	\$ 7,555,000	\$ 7,577,916	\$ 22,916
Interest	65,000	5,775	(59,225)
Intergovernmental	40,000	-	(40,000)
Miscellaneous	1,325,200	1,348,039	22,839
Total Revenues	8,985,200	8,931,730	(53,470)
Expenses:			
Personnel costs	3,584,050	3,676,961	(92,911)
Utilities	539,450	526,977	12,473
Purchased water	737,000	739,862	(2,862)
Wastewater treatment costs	140,000	149,389	(9,389)
Repairs and maintenance	465,650	336,220	129,430
Chemicals and supplies	313,640	314,119	(479)
Professional services	450,000	380,501	69,499
Supplies and other	225,925	200,552	25,373
Insurance	45,000	96,204	(51,204)
Gasoline and fuel	112,000	102,365	9,635
Rent	11,500	21,665	(10,165)
Miscellaneous	458,000	511,433	(53,433)
Total Expenses	7,082,215	7,056,248	25,967
Net Revenues Before Capital Expenditures and Debt Service and Fees	1,902,985	1,875,482	(27,503)
Capital Expenditures	818,900	614,924	203,976
Debt Service and Fees	1,750,000	1,697,172	52,828
Revenues Under Expenses	(665,915)	(436,614)	229,301
Net Assets			
Budget basis:			
Unreserved:			
Beginning of year	1,304,288	1,304,288	-
Transfers from (to) reserved	(82,329)	(98,794)	(16,465)
End of year	556,044	768,880	212,836
Reserved:			
Beginning of year	1,685,289	1,685,289	-
Transfers from (to) reserved	82,329	98,794	16,465
End of year	1,767,618	1,784,083	16,465
Budget basis, end of year	\$ 2,323,662	\$ 2,552,963	\$ 229,301

* 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.

See accompanying independent auditors' report

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, 2010**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Trash collection	\$ 3,400,800	\$ 3,436,155	\$ 35,355
Intergovernmental	-	5,976	5,976
Miscellaneous	101,300	114,052	12,752
Interest	50,000	21,371	(28,629)
Total Revenues	3,552,100	3,577,554	25,454
Expenses:			
Personnel costs	2,081,880	2,040,484	41,396
Utilities	15,200	24,812	(9,612)
Landfill fees	998,000	976,653	21,347
Repairs and maintenance	267,950	225,670	42,280
Capital expenditures	703,832	653,866	49,966
Chemicals and supplies	10,500	3,270	7,230
Professional services	23,500	18,018	5,482
Supplies and other	49,185	53,284	(4,099)
Insurance	25,000	47,122	(22,122)
Gasoline and fuel	233,000	174,446	58,554
Rent	9,150	952	8,198
Miscellaneous	394,500	394,151	349
Total Expenses	4,811,697	4,612,728	198,969
Revenues Under Expenses	(1,259,597)	(1,035,174)	224,423
Other Financing Use:			
Transfers out	(80,000)	(80,000)	-
Revenues Under Expenditures and Other Financing Uses	(1,339,597)	(1,115,174)	224,423
Net Assets			
Budget basis:			
Unreserved:			
Beginning of year	680,471	680,471	-
Transfers from (to) reserved	1,200,000	1,200,000	-
End of year	540,874	765,297	224,423
Reserved:			
Beginning of year	8,422,894	8,422,894	-
Transfers from (to) reserved	(1,200,000)	(1,200,000)	-
End of year	7,222,894	7,222,894	-
Budget basis, end of year	\$ 7,763,768	\$ 7,988,191	\$ 224,423

See accompanying independent auditors' report

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, 2010**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Tipping fees	\$ 1,939,100	\$ 1,902,857	\$ (36,243)
Recycling fees	1,155,100	1,283,368	128,268
Earth Centre	295,400	294,224	(1,176)
Intergovernmental	10,000	-	(10,000)
Interest	5,000	1,985	(3,015)
Miscellaneous	22,500	40,417	17,917
Total Revenues	3,427,100	3,522,851	95,751
Expenses:			
Personnel costs	1,623,785	1,527,764	96,021
Landfill fees	1,163,500	1,043,584	119,916
Utilities	69,000	54,771	14,229
Capital expenditures	9,750	2,949	6,801
Professional services	90,950	39,822	51,128
Repairs and maintenance	123,775	113,062	10,713
Insurance	20,000	58,559	(38,559)
Gasoline and fuel	32,500	44,902	(12,402)
Supplies and other	634,685	770,880	(136,195)
Total Expenses	3,767,945	3,656,293	111,652
Revenues Under Expenses	(340,845)	(133,442)	207,403
Budget basis:			
Unreserved:			
Beginning of year	1,124,005	1,124,005	-
Transfers from (to) reserved	-	-	-
End of year	783,160	990,563	207,403
Reserved:			
Beginning of year	175,000	175,000	-
Transfers from (to) reserved	-	-	-
End of year	175,000	175,000	-
Budget basis, end of year	\$ 958,160	\$ 1,165,563	\$ 207,403

See accompanying independent auditors' report

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, 2010**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Recreation	\$ 6,105,050	\$ 5,896,515	\$ (208,535)
Interest	10,000	1,358	(8,642)
Total Revenues	<u>6,115,050</u>	<u>5,897,873</u>	<u>(217,177)</u>
Expenses:			
Personnel costs	3,070,150	3,040,814	29,336
Utilities	857,400	756,685	100,715
Repairs and maintenance	166,750	209,397	(42,647)
Capital expenditures	255,570	209,845	45,725
Chemicals and supplies	72,500	82,037	(9,537)
Professional services	223,680	304,076	(80,396)
Supplies and other	347,750	298,154	49,596
Concessions	273,000	229,847	43,153
Insurance	36,000	5,721	30,279
Gasoline and fuel	12,200	11,174	1,026
Miscellaneous	39,050	57,729	(18,679)
Total Expenses	<u>5,354,050</u>	<u>5,205,479</u>	<u>148,571</u>
Net Revenues Before Debt Service and Fees	761,000	692,394	(68,606)
Debt Service and fees	<u>1,440,000</u>	<u>1,438,707</u>	<u>1,293</u>
Revenues Under Expenses	<u>(679,000)</u>	<u>(746,313)</u>	<u>(67,313)</u>
Other Financing Sources:			
Transfers in	<u>680,000</u>	<u>680,000</u>	<u>-</u>
	680,000	680,000	-
Revenues and Other Financing Sources Over (Under) Expenditures	<u>1,000</u>	<u>(66,313)</u>	<u>(67,313)</u>
Net Assets			
Budget basis:			
Unreserved:			
Beginning of year	73,694	73,694	-
Transfers from (to) reserved	-	1,574	1,574
End of year	<u>74,694</u>	<u>8,955</u>	<u>(65,739)</u>
Reserved:			
Beginning of year	1,030,612	1,030,612	-
Transfers from (to) reserved	-	(1,574)	(1,574)
End of year	<u>1,030,612</u>	<u>1,029,038</u>	<u>(1,574)</u>
Budget basis, end of year	<u>\$ 1,105,306</u>	<u>\$ 1,037,993</u>	<u>\$ (67,313)</u>

See accompanying independent auditors' report

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

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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.

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Revenue Capacity

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

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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.

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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.

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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.

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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.

CITY OF ST. PETERS, MISSOURI

TABLE 1

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

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
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	\$240,140,438	\$258,630,627
Restricted for capital projects	3,144,994	1,637,801	7,119,355	14,774,979	8,176,260	8,502,836	5,922,228	6,768,629
Restricted for debt service	1,860,174	2,034,833	2,847,740	1,307,849	2,436,832	8,897,412	6,100,691	7,209,265
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	13,523,667	3,997,662
Total governmental activities net assets	\$ 44,304,454	\$ 63,731,413	\$ 74,407,002	\$279,151,210	\$268,147,077	\$259,486,351	\$265,687,024	\$276,606,183
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	\$ 37,818,296	\$ 37,202,278
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	7,233,632	3,759,580	4,041,857
Restricted for other purposes	-	-	-	-	-	-	-	-
Unrestricted	11,161,512	10,573,701	11,174,468	9,580,106	11,604,597	17,159,930	20,468,117	13,714,046
Total business-type activities net assets	\$ 35,794,950	\$ 36,121,431	\$ 37,585,395	\$ 39,061,619	\$ 53,572,597	\$ 64,364,538	\$ 62,045,993	\$ 54,958,181
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	\$277,958,734	\$295,832,905
Restricted for capital projects	3,144,994	1,637,801	7,119,355	14,774,979	11,539,981	8,502,836	5,922,228	6,768,629
Restricted for debt service	6,560,587	7,324,990	8,531,892	8,298,214	11,831,238	16,131,044	9,860,271	11,251,122
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	38,367,073	33,991,784	17,711,708
Total primary government net assets	\$ 80,099,404	\$ 99,852,814	\$ 111,992,397	\$ 318,212,829	\$ 321,719,674	\$ 323,850,889	\$ 327,733,017	\$ 331,564,364

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 EIGHT FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Expenses								
Governmental activities:								
General government	\$ 1,918,385	\$ 2,480,263	\$ 3,153,690	\$ 4,414,387	\$ 4,101,069	\$ 10,605,639	\$ 4,936,885	\$ 5,093,137
Administration	5,813,016	5,262,781	5,142,485	4,679,329	4,440,371	4,439,076	4,413,440	4,465,717
Police	8,586,747	8,520,256	9,106,695	9,626,373	9,814,498	10,358,838	10,758,075	11,487,848
Municipal court	294,193	324,357	355,325	360,009	369,667	417,285	443,602	469,464
Public works	5,456,970	4,771,304	6,719,849	11,304,991	17,293,048	10,321,657	11,894,996	9,721,254
Engineering	2,012,693	2,139,381	2,070,918	2,584,427	2,469,174	2,630,888	2,552,615	2,571,574
Maintenance	878,392	799,725	729,378	967,257	756,069	727,250	749,630	788,172
Health	564,390	591,484	577,925	582,359	581,024	709,702	602,498	615,783
Parks and Recreation	8,092,134	8,789,938	8,845,727	9,112,915	5,517,854	5,279,526	5,507,748	5,893,725
Community Relations	807,688	855,073	826,583	876,912	960,770	962,461	1,009,804	1,007,998
Community & Arts	366,784	310,754	290,478	256,880	268,835	277,631	280,512	290,368
Community Development	-	-	-	-	-	-	-	963,000
Interest on long term debt	2,265,041	1,983,033	2,148,903	2,748,833	2,117,537	2,258,848	3,536,569	3,484,084
Total governmental activities expenses	37,056,433	36,828,349	39,967,956	47,514,672	48,689,916	48,988,801	46,686,374	46,852,124
Business-type activities:								
Waterworks/Sanitary Sewer	7,189,717	7,944,078	8,136,178	8,439,318	8,782,669	9,857,448	9,625,487	10,873,704
Solid Waste	2,871,588	3,176,106	3,367,321	3,558,062	4,043,387	4,182,408	4,399,270	6,891,092
Public improvement corporation	764,809	1,149,042	1,156,686	1,100,309	840,568	608,613	529,810	503,638
Central Materials Processing Facility	3,528,825	3,142,558	3,306,561	3,381,029	3,408,096	3,411,717	3,677,814	3,719,643
Recreation	-	-	-	-	6,122,627	6,453,216	7,038,214	7,651,515
Total business-type activities expenses	14,354,939	15,411,784	15,966,746	16,478,718	23,197,347	24,513,402	25,270,595	29,639,592
Total primary government expenses	\$ 51,411,372	\$ 52,240,133	\$ 55,934,702	\$ 63,993,390	\$ 71,887,263	\$ 73,502,203	\$ 71,956,969	\$ 76,491,716
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	\$ 908,725	\$ 1,181,701
Police	1,433,807	1,689,862	1,595,803	2,238,900	1,768,839	2,562,532	2,930,923	2,778,995
Public works	7,009	5,440	516,937	718,062	524,412	540,181	544,287	522,200
Health	10,972	11,629	11,652	21,400	20,359	22,425	21,314	20,182
Parks and recreation	3,290,389	3,567,199	3,331,353	3,743,865	26,730	25,851	25,585	8,640
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	172,413	176,380
Operating grants and contributions	3,310,766	3,539,346	3,534,260	3,623,735	3,813,207	3,496,262	4,024,801	3,597,950
Capital grants and contributions	3,951,170	6,235,077	4,094,689	7,785,280	5,767,781	4,000,088	6,557,930	10,759,472
Total governmental activities program revenues	13,095,178	16,514,596	14,737,425	20,429,728	13,947,716	12,606,920	15,185,978	19,045,520
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	8,649,448	9,675,873
Solid waste	2,836,216	3,147,922	3,636,949	3,974,228	4,325,591	4,622,677	3,374,042	3,540,501
Public improvement corporation	-	-	-	-	844,102	819,785	849,680	555,071
Central materials processing facility	3,637,223	3,508,675	3,240,202	3,021,534	3,399,577	3,703,035	3,326,266	3,394,464
Recreation	-	-	-	-	3,656,297	4,608,748	5,147,064	5,896,515
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	719,510	588,320
Total business-type activities program revenues	14,757,223	15,651,270	17,085,589	17,065,368	22,513,863	23,262,746	22,066,010	23,650,744
Total primary government program revenues	\$ 27,852,401	\$ 32,165,866	\$ 31,823,014	\$ 37,495,096	\$ 36,461,579	\$ 35,869,666	\$ 37,251,988	\$ 42,696,264

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

TABLE 2

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Net (Expense)/Revenue								
Governmental activities	\$ (23,961,255)	\$ (20,313,753)	\$ -	\$ (27,084,944)	\$ (34,742,200)	\$ (36,381,881)	\$ (31,500,396)	\$ (27,806,604)
Business-type activities	402,284	239,486	(24,111,688)	586,650	(683,484)	(1,250,656)	(3,204,585)	(5,988,848)
Total primary government net expense	\$ (23,558,971)	\$ (20,074,267)	\$ (24,111,688)	\$ (26,498,294)	\$ (35,425,684)	\$ (37,632,537)	\$ (34,704,981)	\$ (33,795,452)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
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	\$ 6,392,363	\$ 5,993,141
Property taxes levied for debt service	2,067,646	2,244,013	2,277,665	2,460,820	2,563,201	2,633,533	2,636,371	2,495,335
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	3,455,420	3,747,632
Sales taxes levied for general purposes	10,510,456	10,957,062	11,350,867	11,416,073	11,344,811	11,566,809	11,088,916	11,106,737
Sales taxes levied for transportation purposes	5,255,188	5,478,536	5,675,421	5,706,975	5,673,491	5,783,416	5,544,419	5,553,379
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	1,094,341	1,096,321
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	3,625,574	3,278,082
Franchise and public service taxes	2,692,959	2,823,306	3,073,690	3,269,630	3,364,976	3,415,948	3,457,259	3,603,717
Sewer lateral repair fee	-	480,541	-	-	-	-	-	-
Earnings on investments	767,316	354,629	794,416	2,220,645	2,095,392	1,488,010	286,808	110,734
Other revenue	1,430,292	479,869	516,637	1,423,234	2,388,254	514,882	912,057	553,445
Gain (loss) on sale of security	-	117,714	-	-	-	-	-	-
Gain on Sale of Capital Assets	(108,304)	237,001	-	20,328,060	66,490	-	17,541	20,981
Transfers	-	120,400	61,000	72,500	238,193	(10,924,454)	(810,000)	1,166,259
Total governmental activities	32,358,400	33,734,935	35,279,388	59,403,786	40,582,555	27,721,155	37,701,069	38,725,763
Business-type activities:								
Earnings on investments	142,102	207,395	406,121	759,658	1,462,516	763,109	134,044	35,355
Gain (loss) on sale of capital assets	-	-	-	202,416	58,019	355,034	5,964	31,940
Transfers	-	(120,400)	(61,000)	(72,500)	(238,193)	10,924,454	810,000	(1,166,259)
Total business-type activities	142,102	86,995	345,121	889,574	1,282,342	12,042,597	950,008	(1,098,964)
Total primary government	\$ 8,941,531	\$ 13,747,663	\$ 11,512,821	\$ 33,795,066	\$ 6,439,213	\$ 2,131,215	\$ 3,946,096	\$ 3,831,347
Change in Net Assets								
Governmental activities	\$ 8,397,145	\$ 13,421,182	\$ 35,279,388	\$ 32,318,842	\$ 5,840,355	\$ (8,660,726)	\$ 6,200,673	\$ 10,919,159
Business-type activities	544,386	326,481	(23,766,567)	1,476,224	598,858	10,791,941	(2,254,577)	(7,087,812)
Total primary government	\$ 8,941,531	\$ 13,747,663	\$ 11,512,821	\$ 33,795,066	\$ 6,439,213	\$ 2,131,215	\$ 3,946,096	\$ 3,831,347

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.

CITY OF ST. PETERS, MISSOURI

TABLE 3

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved for encumbrances	\$ 1,034,818	\$ 660,161	\$ 431,094	\$ 382,180	\$ 465,563	\$ 372,189	\$ 346,284	\$ 733,673	\$ 1,724,906	\$ 754,166
Reserved for capital improvements	-	-	-	-	-	4,000,000	2,867,207	2,100,000	620,259	379,110
Reserved for debt service	-	-	-	-	-	-	-	-	-	545,582
Reserved for storm water management	164,763	184,008	189,719	223,172	223,173	85,286	110,267	163,783	183,839	187,529
Reserved for inventory/prepaid	919,095	784,863	827,345	867,637	873,131	796,763	725,590	799,721	846,257	828,933
Reserved for other projects	1,300,809	1,393,403	2,692,157	2,932,610	780,609	524,527	694,980	479,904	2,160,448	389,628
Unreserved	1,303,598	3,813,463	3,344,086	4,161,091	4,248,705	5,502,409	7,861,281	12,480,457	7,737,594	3,442,769
Total General Fund	\$ 6,835,898	\$ 7,484,401	\$ 8,566,690	\$ 6,591,181	\$ 11,281,174	\$ 12,605,609	\$ 12,605,609	\$ 16,757,538	\$ 13,273,303	\$ 6,527,717
All Other Governmental Funds										
Reserved for encumbrances	\$ 3,524,617	\$ 3,492,964	\$ 7,546,759	\$ 2,127,464	\$ 4,865,217	\$ 3,936,558	\$ 3,559,764	\$ 7,938,066	\$ 4,109,188	\$ 8,490,996
Reserved for capital improvements	378,568	334,726	147,457	455,307	472,945	447,514	320,000	4,980,000	-	-
Reserved for debt service	-	-	-	-	-	-	-	5,349,325	4,424,325	5,705,895
Reserved for storm water management	-	-	-	-	-	-	-	-	-	-
Reserved for inventory/prepaid	8,990	9,358	14,703	20,909	27,087	23,506	2,602	3,300	38,036	3,800
Reserved for long-term receivables	-	-	306,103	519,773	727,514	796,767	1,001,353	806,132	700,569	695,926
Reserved for other projects	2,645,139	2,198,994	2,086,042	2,199,874	-	-	3,276,765	-	-	-
Unreserved, reported in										
Special revenue funds	7,858,582	8,565,757	5,022,374	8,898,714	11,268,978	16,299,128	16,492,467	9,311,290	10,894,991	4,437,401
Debt service funds	1,719,317	1,865,237	1,860,174	2,034,833	2,847,740	1,307,849	2,396,237	3,458,563	3,669,646	3,197,773
Capital projects funds	5,879,742	4,214,598	1,344,994	1,637,801	22,598,170	5,907,073	280,116	20,915,453	16,635,365	10,209,589
Total all other governmental funds	\$ 22,014,955	\$ 20,681,634	\$ 18,328,606	\$ 17,894,675	\$ 42,807,651	\$ 28,718,395	\$ 27,329,304	\$ 52,762,129	\$ 40,472,120	\$ 32,741,380

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.

CITY OF ST. PETERS, MISSOURI

TABLE 4

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Sales tax (1)	\$ 16,579,729	\$ 18,799,467	\$ 18,753,307	\$ 19,699,282	\$ 20,569,091	\$ 21,017,391	\$ 20,978,501	\$ 21,285,659	\$ 20,655,597	\$ 20,719,476
Property tax (2)	7,467,135	8,166,425	8,513,746	9,439,098	10,292,983	11,069,439	11,431,916	11,783,275	12,606,100	12,217,710
Utility franchise tax	2,830,813	2,563,123	2,692,959	2,823,306	3,073,693	3,269,630	3,364,976	3,415,948	3,457,259	3,603,717
Special Assessment	-	-	-	-	-	215,839	-	-	-	-
Cigarette tax	214,221	206,383	202,503	212,994	189,403	203,416	231,216	254,592	230,091	223,484
Licenses and permits	926,193	1,030,145	844,571	1,167,388	1,312,320	1,950,438	1,660,469	1,526,797	826,625	1,092,659
Interest	1,464,131	589,411	776,385	472,343	794,421	2,220,644	2,095,392	1,488,010	286,808	110,734
Intergovernmental	5,762,672	6,501,077	5,278,697	6,999,736	5,880,363	6,731,969	6,821,731	6,155,149	7,647,291	9,978,781
Fines and Forfeitures	981,851	1,372,841	1,353,080	1,572,793	1,504,269	1,985,297	1,600,896	2,298,424	2,618,034	2,521,997
Charges for Services	3,294,206	3,499,166	3,560,744	4,340,727	4,109,749	4,694,036	933,779	1,176,669	1,174,004	1,080,991
Miscellaneous	828,726	2,342,512	1,903,093	818,681	860,653	1,779,408	2,322,571	451,120	773,329	367,352
Total revenues	40,349,677	45,070,550	43,879,085	47,546,348	48,586,945	55,137,507	51,441,447	49,835,643	50,275,138	51,916,901
Expenditures										
General government	2,815,951	1,507,248	1,670,032	2,138,722	2,908,197	2,740,191	3,862,364	11,156,412	2,953,949	2,929,663
Administration	5,360,095	5,587,177	5,499,898	5,022,275	5,025,680	4,732,115	3,869,357	4,026,933	3,964,072	4,025,538
Police	8,100,652	8,199,622	8,329,325	8,478,745	8,989,169	9,649,419	9,407,345	9,924,110	10,309,193	10,756,677
Municipal court	245,471	262,991	292,982	324,432	353,214	359,395	366,373	413,865	439,981	463,630
Public works	5,789,860	5,542,950	5,612,441	5,794,336	6,774,954	7,560,368	8,418,877	8,074,152	8,319,193	7,879,484
Engineering	1,825,392	1,902,461	1,905,371	2,122,459	2,058,782	2,528,071	2,422,063	2,599,668	2,501,915	2,509,843
Maintenance	705,693	713,071	748,045	729,127	709,484	713,904	703,345	710,878	729,093	771,310
Health	516,660	569,180	522,844	536,982	561,370	557,632	555,176	681,640	588,106	586,799
Parks and Recreation (3)	7,837,967	7,542,068	7,655,882	8,285,927	8,394,205	9,043,035	4,613,547	4,577,817	4,796,454	4,965,617
Community relations	749,207	748,392	765,544	715,660	802,542	799,077	787,641	889,931	945,554	925,874
Community & arts	250,920	274,821	278,508	222,717	212,512	180,085	187,634	198,067	200,287	212,144
Community Development	-	-	-	-	-	-	-	-	-	963,000
Capital outlay	14,641,963	11,462,638	6,561,839	10,169,034	5,647,963	23,657,316	12,924,502	15,656,104	27,579,699	28,937,644
Debt service										
Principal retirement	1,210,000	1,590,000	1,655,000	1,365,000	1,420,000	1,485,000	1,554,000	2,644,000	4,720,000	7,595,000
Interest and fiscal charges	1,564,307	1,687,574	2,497,833	2,150,748	2,130,515	2,700,280	1,992,456	2,166,782	3,284,645	3,147,203
Payment to escrow agent	-	-	-	713,108	-	-	-	-	-	141,255
Other	42,010	44,863	45,066	208,389	52,017	56,082	74,425	59,837	60,693	174,914
Total expenditures	51,656,148	47,635,056	44,040,610	48,977,661	46,040,604	66,761,970	51,739,105	63,780,196	71,392,834	76,985,595
Excess of revenues over (under) expenditures	(11,306,471)	(2,564,506)	(161,525)	(1,431,313)	2,546,341	(11,624,463)	(297,658)	(13,944,553)	(21,117,696)	(25,068,694)
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	7,964,523	7,756,444
Transfers out	(721,544)	(1,700,000)	(230,000)	(220,000)	(2,406,132)	(277,500)	(3,491,361)	(18,136,531)	(8,774,523)	(9,455,886)
Proceeds from sale of capital assets	-	-	-	-	-	24,600,000	156,395	25,013,532	3,452	34,357
Issuance of debt	7,470,000	3,709,000	257,000	9,520,000	22,500,000	52,700	3,275,000	29,630,000	6,150,000	14,898,000
Payments to escrow agent	-	-	-	(9,363,128)	-	(22,500,000)	-	-	-	(168,207)
Discount on refunding of debt	-	-	-	-	-	-	(60,637)	(189,771)	-	(2,472,340)
Total other financing sources (uses)	6,980,000	3,344,000	257,000	277,272	22,561,000	2,225,200	726,672	43,529,307	5,343,452	10,592,368
Net change in fund balances	\$ (4,326,471)	\$ 779,494	\$ 95,475	\$ (1,154,041)	\$ 25,107,341	\$ (9,399,263)	429,014	29,584,754	(15,774,244)	(14,476,326)
Total expenditures	51,656,148	47,635,056	44,040,610	48,977,661	46,040,604	66,761,970	51,739,105	63,780,196	71,392,834	76,985,595
Debt service	2,774,307	3,277,574	4,152,833	3,515,748	3,550,515	4,185,280	3,546,456	4,810,782	8,004,645	10,742,203
Capital outlay	(14,641,963)	(11,462,838)	(6,561,839)	(10,169,034)	(5,647,963)	(23,657,316)	(9,640,700)	(15,656,104)	(27,579,699)	(28,937,644)
Capital expenditures from functional categories (4)	(3,492,268)	(1,634,192)	(1,245,973)	(820,537)	(1,070,991)	(1,733,562)	-	(4,189,580)	(2,908,965)	(5,098,067)
Debt service as a percentage of noncapital expenditures	8.3%	9.5%	11.5%	9.3%	9.0%	10.1%	8.4%	10.9%	19.6%	25.0%

(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 statements.

CITY OF ST. PETERS, MISSOURI

TABLE 5

**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
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%
2009	640,325,083	303,902,424	645,615	158,159,809	1,103,032,931	4,799,686,643	0.7700	22.98%
2010	606,007,592	292,923,777	659,048	146,379,192	1,045,969,609	4,549,530,088	0.7700	22.99%

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

CITY OF ST. PETERS, MISSOURI

TABLE 6

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

Fiscal Year	City of St. Peters Direct Tax Rates			Overlapping Tax Rates					
	Operating	Debt Service	Total Direct	School Districts(1)			St. Charles County (2)	St. Charles Community College	Others(3)
				Fort Zumwalt	St. Charles	Francis Howell			
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
2009	0.5349	0.2351	0.7700	4.3811	4.3000	4.4541	0.2045	0.2094	1.0846
2010	0.5349	0.2351	0.7700	4.5967	4.5200	4.7291	0.0241	0.0220	1.3917

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

CITY OF ST. PETERS, MISSOURI

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2010			2001		
	Assessed Value	Rank	Percentage of Total Assessed Valuation(1)	Assessed Value	Rank	Percentage of Total Assessed Valuation(2)
Mid Rivers Mall LLC	\$ 19,715,878	1	1.79%	\$ -	-	-
Airwick Industries, Inc.	10,017,737	2	0.91%	11,061,910	2	1.64%
Turnberry Apartments LLC	5,961,060	3	0.54%	-	-	-
SSM Properties, Inc.	3,876,936	4	0.35%	-	-	-
Grewe Limited Partnership	3,764,410	5	0.34%	3,219,190	5	0.48%
Westerfield America of MO Inc.	3,660,771	6	0.33%	17,259,240	1	2.56%
79 Crossing LLC	3,575,261	7	0.32%	-	-	-
Walmart Real Estate Business Trust	3,547,571	8	0.32%	-	-	-
94 Crossing LLC	3,398,947	9	0.31%	-	-	-
Jungs Station Association	3,395,000	10	0.31%	-	-	-
Nationwide Life Insurance Co.	-	-	-	3,910,880	3	0.58%
May Department Stores	-	-	-	3,578,057	4	0.53%
JC Penney's Properties, Inc.	-	-	-	3,179,039	6	0.47%
John H. Harland Printing Co.	-	-	-	3,071,010	7	0.45%
Sears Roebuck and Co.	-	-	-	3,049,950	8	0.45%
Wentzway Corp.	-	-	-	2,894,030	9	0.43%
Capital Dierbergs Properties	-	-	-	2,884,745	10	0.43%

Notes:

(1) Based on calendar year 2009 assessed valuation equal to \$1,045,969,609

(2) Based on calendar year 2000 assessed valuation equal to \$675,227,105

Source: Office of the St. Charles County Assessor

CITY OF ST. PETERS, MISSOURI

TABLE 8

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
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%	160	7,810	99.83%
2007	8,080	7,961	98.53%	105	8,066	99.83%
2008	8,384	8,110	96.73%	262	8,372	99.86%
2009	8,561	8,401	98.13%	135	8,536	99.71%
2010	8,074	7,912	97.99%	-	7,912	97.99%

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

Source: St. Charles County Collector

CITY OF ST. PETERS, MISSOURI

TABLE 9

SALES TAX COLLECTED
LAST TEN FISCAL YEARS

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Sales Tax Collected For General Purposes	\$ 10,187,081	\$ 10,729,420	\$ 10,510,456	\$ 10,957,055	\$ 11,350,867	\$ 11,416,073	\$ 11,344,811	\$ 11,566,809	\$ 11,088,916	\$ 11,106,737
Sales Tax Collected For Transportation Purposes	5,098,228	5,364,686	5,255,188	5,478,535	5,675,422	5,706,975	5,673,491	5,783,416	5,544,419	5,553,379
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	1,094,341	1,096,321
Total Direct Sales Tax Collected	15,708,030	17,154,391	16,802,219	17,517,055	18,146,978	18,249,798	18,138,368	18,492,519	17,727,676	17,756,437
City direct sales tax rate	1.60%	1.60%	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	706,140	1,398,359	1,734,209	1,931,266	2,007,070	2,234,173	2,421,767	2,481,415	2,630,751	2,676,608
Sales Tax Collected For Tax Increment Financing - Old Town	156,068	235,209	209,756	244,813	408,710	526,909	412,015	305,890	293,800	352,787
Sales Tax Collected For Tax Increment Financing - Lakeside 370	9,491	11,508	7,123	6,148	6,333	6,511	6,350	5,835	3,370	79
Total Tax Collected for Tax Increment Financing	871,699	1,645,076	1,951,088	2,182,227	2,422,113	2,767,593	2,840,132	2,793,140	2,927,921	2,963,040
Total Sales Tax Collected	\$ 16,579,729	\$ 18,799,467	\$ 18,753,307	\$ 19,699,282	\$ 20,569,091	\$ 21,017,391	\$ 20,978,500	\$ 21,285,659	\$ 20,655,597	\$ 20,719,477

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 confidentiality of earnings information the above alternative information is provided to assist users in understanding this revenue source.

Source: City Finance Department

CITY OF ST. PETERS, MISSOURI

TABLE 10

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	City Direct Rate	St. Charles County	Metropolitan Park Tax	Children & Family Services	State of Missouri	Total Sales Tax
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%
2009	1.60%	1.45%	0.10%	0.125%	4.225%	7.500%
2010	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

CITY OF ST. PETERS, MISSOURI

TABLE 11

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

Fiscal Year	Governmental Activities					Business-Type Activities			Total	Debt Per Capita(2)
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Notes	Development Notes	Certificate of Participation	Water/Sewer Revenue Bonds	Certificate of Participation	Leasehold Revenue Bonds		
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
2009	41,765,000	39,700	8,936,000	10,925,000	2,635,000	45,320,000	20,840,000	6,910,000	137,370,700	2,368
2010	34,825,000	34,700	9,899,000	12,355,000	12,090,000	43,820,000	20,300,000	5,430,000	138,753,700	2,392

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 (3)	Percentage of Actual Taxable Value of Property (1)	Debt Per Capita (2)
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
2009	41,804,700	3,669,646	38,135,054	0.79%	657.50
2010	34,859,700	3,197,773	31,661,927	0.70%	545.90

Notes:

(1) See table 5 for property value data.

(2) See table 16 for population data.

(3) Net general bonded debt will be funded by future property tax collections (see notes).

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, 2010**

Jurisdiction	Debt Outstanding	Percentage Applicable to St. Peters	Share of Debt Applicable to St. Peters
Debt repaid with property taxes:			
St. Charles County	\$ 5,648,000	14.57%	\$ 822,914
St. Charles County Ambulance District	10,455,000	14.57%	1,523,294
Central County Fire and Rescue	8,225,000	69.15%	5,687,588
St. Charles County Community College	39,860,000	14.65%	5,839,490
St. Charles School District R-VI	41,220,269	6.80%	2,802,978
Fort Zumwalt School District R-II	125,229,997	24.58%	30,781,533
Francis Howell School District	154,463,987	19.90%	30,738,333
Other Debt:			
St. Charles Community College	1,855,000	14.65%	271,758
St. Charles School District R-VI	1,030,000	6.80%	70,040
			<u>78,537,928</u>
City's direct debt*			34,759,700
Total direct and overlapping debt			<u><u>\$ 113,297,628</u></u>

* The above table includes Neighborhood Improvement District bonds which are a general obligation of the issuer but are to be paid by special assessments levied in the Neighborhood Improvement District.

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 boundaries of the City. This schedule estimates the portion of the outstanding debt of those 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
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

TABLE 14

	City Purposes Basic Limit	Streets And Sewer Additional Limit
Assessed Valuation	\$ 1,045,969,609	\$ 1,045,969,609
Debt Limit - 10% off assessed valuation	104,596,961	104,596,961
Amount of debt applicable to debt limit		
Total general obligation debt	34,759,700	-
Less: Amount available in debt service fund	(3,197,773)	-
Net bond indebtedness applicable to debt limit	31,561,927	-
Legal debt margin	\$ 73,035,034	\$ 104,596,961

City Purposes Basic Limit	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 67,522,711	\$ 73,295,822	\$ 74,402,115	\$ 84,556,706	\$ 85,814,353	\$ 96,945,477	\$ 99,854,154	\$ 108,080,317	\$ 110,303,293	\$ 104,596,961
Total net debt applicable to limit	28,275,683	29,039,763	27,389,826	26,045,167	46,312,260	23,919,851	21,277,463	40,891,137	38,135,054	31,561,927
Legal debt margin	\$ 39,247,028	\$ 44,256,059	\$ 47,012,289	\$ 58,511,539	\$ 39,502,093	\$ 73,025,626	\$ 78,576,691	\$ 67,189,180	\$ 72,168,239	\$ 73,035,034
Total net debt applicable to the limit as a % of debt limit	41.88%	39.62%	36.81%	30.80%	53.97%	24.67%	21.31%	37.83%	34.57%	30.17%

Street and Sewer Additional Limit	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 67,522,711	\$ 73,295,822	\$ 74,402,115	\$ 84,556,706	\$ 85,814,353	\$ 96,945,477	\$ 99,854,154	\$ 108,080,317	\$ 110,303,293	\$ 104,596,961
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 67,522,711	\$ 73,295,822	\$ 74,402,115	\$ 84,556,706	\$ 85,814,353	\$ 96,945,477	\$ 99,854,154	\$ 108,080,317	\$ 110,303,293	\$ 104,596,961
Total net debt applicable to the limit as a % of debt limit	0.00%	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

CITY OF ST. PETERS, MISSOURI
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

TABLE 15

Fiscal Year	Water Revenue Bonds					Special Assessment Bonds			
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Special Assessment Collections	Debt Service		Coverage
				Principal	Interest		Principal	Interest	
2001	6,815,772	(5,007,716)	1,808,056	985,000	532,160	-	-	-	-
2002	6,999,333	(5,040,065)	1,959,268	1,045,000	446,993	-	-	-	-
2003	7,227,302	(4,771,125)	2,456,177	1,240,000	352,449	-	-	-	-
2004	7,495,672	(5,165,769)	2,329,903	1,390,000	182,735	-	-	-	-
2005	8,384,200	(5,329,670)	3,054,530	1,445,000	121,171	-	-	-	-
2006	8,580,469	(5,731,539)	2,848,930	1,485,000	59,596	215,839	-	-	-
2007	9,728,781	(6,093,420)	3,635,361	1,520,000	19,195	6,975	4,000	2,211	1.12
2008	9,370,782	(6,724,209)	2,646,573	1,540,000	6,700	6,975	4,000	2,195	1.13
2009	8,649,448	(6,530,682)	2,118,766	1,545,000	-	6,975	5,000	1,983	1.00
2010	9,675,873	(6,910,939)	2,764,934	1,500,000	195,942	6,975	5,000	1,748	1.03

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
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	4.20%
2009	58,000	44,257	8.00%
2010	58,000	43,729	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 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.

CITY OF ST. PETERS, MISSOURI

TABLE 17

LARGEST EMPLOYERS
(BASED ON FULL-TIME EMPLOYMENT)
CURRENT AND NINE YEARS AGO
SEPTEMBER 30, 2010

	2010			2001		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Barnes St. Peters Hospital	970	1	3.1%	485	3	1.5%
Fort Zumwalt School District R-II	709	2	2.3%	612	1	1.9%
City of St. Peters	534	3	1.7%	580	2	1.8%
Dierbergs (2 locations)	353	4	1.1%	-	-	-
Wal-Mart *	351	5	1.1%	-	-	0.0%
Francis Howell School District	347	6	1.1%	365	4	1.1%
JC Penney Inc.	315	7	1.0%	-	-	-
Sear Roebuck & Company	310	8	1.0%	-	-	0.0%
United Services, Inc.	240	9	0.8%	-	-	-
Boone Center Inc.	210	10	0.7%	-	-	-
National Information Solutions	-	-	-	287	5	0.9%
Continental Sprayers	-	-	-	280	6	0.9%
Schnucks	-	-	-	240	7	0.8%
Reckett & Benckiser	-	-	-	203	8	0.6%
Wainwright Industries	-	-	-	198	9	0.6%
Didion & Sons Foundry Co.	-	-	-	115	10	0.4%
	4,339		13.9%	3,365		10.6%

Note: Percentage of Total City Employment was based on the employed labor force of 31,322 for September 2010 and 31,823 for September 2001. Labor force statistics are unofficial estimates from the Missouri Economic Research and Information Center.

Source: Survey of Employers

CITY OF ST. PETERS, MISSOURI

TABLE 18

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
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	50.40	51.70	49.70	47.70	48.70	47.40	47.40	44.30	47.30	47.30
Police	111.90	111.90	108.70	108.70	108.70	109.00	110.00	111.50	113.20	114.50
Municipal Court	5.10	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40
Public Works	48.00	48.40	45.90	45.90	46.20	36.95	36.45	40.20	40.20	41.00
Engineering	30.70	31.80	28.80	29.00	29.00	32.00	33.00	32.70	32.00	31.70
Maintenance	10.60	10.60	9.90	9.90	9.70	8.60	9.60	9.60	9.60	9.60
Health	8.50	9.40	8.70	8.70	8.60	7.80	8.40	8.90	8.15	8.15
Parks and Recreation	130.20	125.80	135.90	137.10	137.10	136.40	58.40	65.20	66.20	66.10
Community Relations	7.30	9.70	9.00	9.00	9.00	9.00	9.00	9.00	9.70	9.70
Community & Arts	4.80	4.80	4.80	4.80	4.80	3.80	3.80	2.40	2.40	2.40
Business-Type Activities:										
Waterworks/Sanitary Sewer	38.00	39.70	39.40	41.90	42.40	42.40	43.50	46.40	46.90	47.20
Solid Waste	22.40	23.10	23.80	23.80	24.10	24.60	26.70	26.60	26.85	27.20
Central Materials Processing Facility	31.30	32.60	24.60	24.60	27.50	27.30	24.30	25.20	25.45	25.50
Recreation	-	-	-	-	-	-	78.40	80.10	80.80	90.40
Total	507.10	512.80	502.50	504.40	509.10	498.55	502.25	515.40	522.05	534.05

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 Recreation Fund from a governmental fund to an enterprise fund.

Source: City budget office.

CITY OF ST. PETERS, MISSOURI

TABLE 19

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Functions/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities:										
Administration										
Citizen Concerns Received	982	923	942	1,129	988	964	1,226	1,189	784	802
No. of Concerns Responses within 72 hours	100%	97%	99%	99%	98%	99%	98%	98%	99%	99%
Police										
Average number of physical arrests per month	186	214	293	336	223	228	240	291	264	285
Average number of calls for service per month	3,000	3,900	3,598	3,465	2,342	2,407	2,608	3,570	2,404	2,543
Citizen Concerns Received	399	456	325	265	363	326	379	316	256	230
No. of Concerns Responses with 72 hours	99%	100%	98%	96%	99%	96%	97%	93%	96%	100%
Municipal court										
Average Number of Court Sessions per year	*	32	32	32	32	32	33	32	32	32
No. of tickets processed	*	19,445	20,419	17,229	17,727	19,019	15,410	24,438	25,783	26,244
Public Works										
Slab Replacement (Square Yards)	27,573	20,262	17,417	22,667	16,123	19,230	32,400	38,732	21,439	123,765
Asphalt overlay (Miles)	4.6	4.1	4.6	4.3	6.3	7.8	6.7	5.3	9.0	6.9
Curb Replacement (Lineal Feet)	5,250	9,300	10,816	12,251	8,917	13,145	15,705	30,413	20,747	19,550
Crackseal (Lineal Feet)	41,360	72,516	50,325	69,807	43,402	56,684	51,677	25,357	82,697	105,347
Sidewalk (Square Feet)	*	985	5,319	4,720	7,735	10,335	25,348	15,130	12,910	13,420
Citizen Concerns Received	1,215	545	744	945	651	648	719	949	775	909
No. of Concerns Responses with 72 hours	98%	100%	99%	98%	94%	96%	97%	98%	91%	94%
Engineering										
New Commercial Construction Unit Permits Issued	40	37	79	65	13	24	35	24	8	11
Value of New Commercial Construction Units	\$ 24,923,011	\$ 47,701,387	\$ 61,680,082	\$ 39,599,803	\$ 15,856,038	\$ 62,397,912	\$ 78,167,652	\$ 38,550,900	\$ 11,630,703	\$ 13,238,381
New Residential Construction Unit Permits Issued	823	218	431	289	302	271	232	217	261	309
Value of New Residential Construction Units	\$ 49,161,645	\$ 24,285,105	\$ 55,996,636	\$ 38,197,045	\$ 29,516,271	\$ 33,189,993	\$ 25,380,724	\$ 24,780,106	\$ 29,580,527	\$ 33,073,423
Citizen Concerns Received	1,341	1,383	1,245	1,191	1,004	973	1,031	1,042	910	1,034
No. of Concerns Responses with 72 hours	97%	97%	95%	96%	96%	95%	98%	98%	98%	98%
Health										
Citizen Concerns Received	192	256	176	133	168	168	219	173	186	188
No. of Concerns Responses with 72 hours	97%	100%	94%	98%	99%	99%	100%	99%	100%	100%
Animal Control										
Citizen Concerns Received	*	81	73	75	62	36	32	42	60	46
No. of Concerns Responses with 72 hours	*	98%	99%	97%	100%	97%	100%	100%	98%	100%
Parks and Recreation										
REC-PLEX Annual Passes	1,511	1,779	1,867	2,017	2,070	2,191	2,066	2,619	2,784	3,201
Citizen Concerns Received	219	202	183	162	166	159	186	201	165	181
No. of Concerns Responses with 72 hours	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Business-type activities:										
Waterworks/Sanitary Sewer										
Number of water service connections	15,632	15,319	15,762	15,955	16,430	17,718	16,768	17,458	17,790	17,803
Daily average water consumption in gallons	4,920,000	5,200,000	5,200,000	5,010,000	5,200,000	5,998,000	5,365,233	5,250,000	5,276,983	5,083,645
Number of sanitary sewer service connections	16,368	16,823	17,207	17,294	17,563	17,718	17,913	18,078	18,211	18,427
Daily average sanitary sewer treatment in gallons	4,980,000	5,170,000	5,700,000	5,930,000	5,930,000	6,239,000	6,227,156	6,990,000	7,600,000	5,490,918
Citizen Concerns Received	894	1,347	1,232	1,084	1,239	909	1,049	1,225	944	1,019
No. of Concerns Responses with 72 hours	96%	99%	100%	100%	100%	100%	100%	100%	100%	100%
Solid Waste										
Citizen Concerns Received	159	147	145	115	118	101	108	99	69	75
No. of Concerns Responses with 72 hours	99%	99%	97%	99%	98%	100%	100%	100%	100%	100%

*Information is not available for this time period

Sources: Various city departments.

CITY OF ST. PETERS, MISSOURI

TABLE 20

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Functions/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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)	222	223	225	225	225	225	225	225	230	230
Streetlights	2,032	2,370	2,396	2,398	2,483	2,483	2,483	2,483	2652	2652
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	20	20	21	21	21
Park acreage	580	590	590	686	686	986	986	1,190	1285.8	1285.8
Golf Courses	1	1		11	1	1	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	9	9	10	10	10	10	10	10	14.1	14.6
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	241	242	251	261	261	261	276	276
Fire hydrants	1,198	1,198	1,475	1,959	1,970	1,981	1,989	1,831	1895	1927
Wastewater										
Sanitary sewers (miles)	210	210	210	215	227	239	239	239	243	243
Storm Sewers (miles)	122	122	122	134	147	161	161	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	9,500,000	9,500,000
Solid Waste										
Customers - Residential	-	15,092	15,229	15,494	15,666	15,801	16,172	16,317	16,438	16,631
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.