
CITY OF ST. PETERS, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2013



Report issued by the Office of Administration

Timothy M. Wilkinson
Assistant City Administrator

Beth A. French
Director of Finance

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Introductory Section

**City of
St. Peters**



February 7, 2014

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, 2013, is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is 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.

The accounting firm of Schowalter & Jabouri, P.C. was retained by the City to perform an annual audit. The independent auditors' report on the financial statements is included at the front of the financial section of this report.

GAAP requires 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 the MD&A and should be read in conjunction with it. The City of St. Peters' MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of St. Peters, incorporated in 1910, is a fourth class city located in St. Charles County, Missouri. The City currently occupies a land area of 22.4 square miles and services a population of approximately 52,575. 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-to-day 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, Community Health and Well Advisory Committee, Personnel Review Board, the Parks, Recreation and Arts Advisory Committee, St. Peters Green Team, Senior Advisory Committee, Veterans Memorial Commission and Outpatient Surgical Treatment Center Medical Review Board. 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 543 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. Residential growth has been considerable as an outgrowth of expanded employment opportunities in the area. 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 2,245 business establishments.

There are several major shopping corridors in St. Peters and the City serves as a shopping hub to surrounding communities located throughout St. Charles County. The City's retail service area encompasses an estimated 30-mile radius with a population of approximately 360,000 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 120 shops, including a food court and a 14-screen Wehrenberg Theater.

Due to these factors, 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 (60.10 cents in the General Fund and 16.90 cents in the Debt Service Fund) without cutting any City services. The assessed valuation for the City of St. Peters increased and revenues received during the 2013 fiscal year were based upon \$1,038,065,625 of assessed valuation.

The age distribution of St. Peters is close to that of the state of Missouri. Approximately 23% of St. Peters' residents are under the age of 18 years. Older adults, 65 years and above, comprise roughly 11% of the population. The median age of St. Peters' population in 2010 was 38.8 years.

The percentage of the City's adult population who graduated from high school was 92.5% and 31.6% 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 86.2% and a population obtaining a bachelor's degree or higher of 25.0%.

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, 2012. 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,



Beth A. French
Director of Finance

City of St. Peters, Missouri

Mayor
Len Pagano

Aldermen

Ward I
John “Rocky” Reitmeyer
Dave Thomas

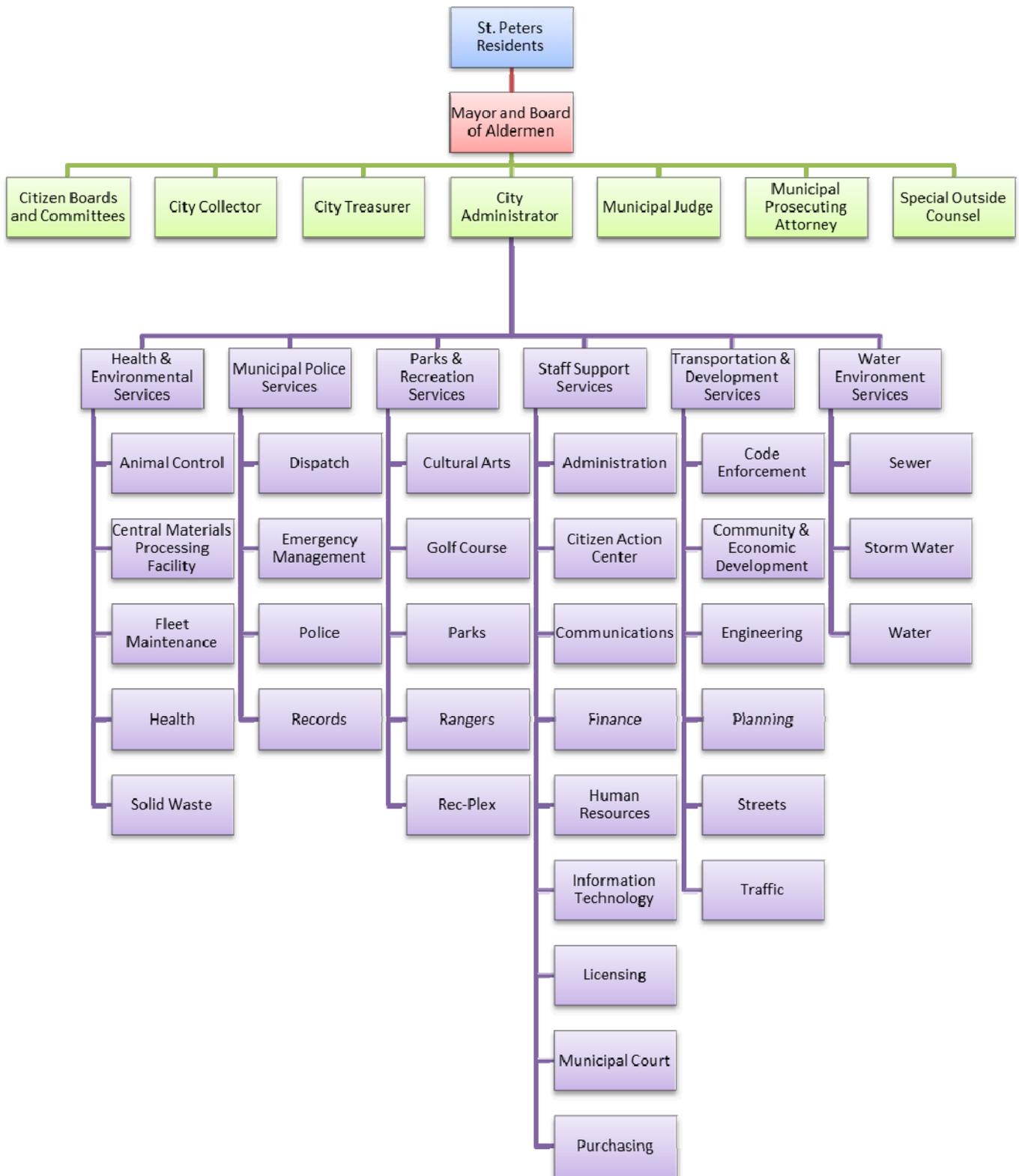
Ward II
Jerry Hollingsworth
Judy Bateman

Ward III
Terri Violet
Tommy Roberts

Ward IV
Patrick Barclay
Don Aytes

City Administrator
William P. Charnisky

Assistant City Administrator
Timothy M. Wilkinson





Government Finance Officers Association

**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, 2012

Executive Director/CEO

Financial Section

**City of
St. Peters**



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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of St. Peters, Missouri, as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

MEMBERS

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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"

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 units, each major fund, and the aggregate remaining fund information of the City of St. Peters, Missouri, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 – 22, the budgetary comparison information and related notes on pages 72 – 76 and the pension related information on pages 77 – 78 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Peters, Missouri's basic financial statements. The introductory section, 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2014, on our consideration of the City of St. Peters, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of St. Peters, Missouri's internal control over financial reporting and compliance.


SCHOWALTER & JABOURI, P.C.

St. Louis, Missouri
February 7, 2014

Management's Discussion and Analysis

CITY OF ST. PETERS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2013

This section of the City of St. Peters' annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2013. 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 exceed its liabilities (net position) at the end of the fiscal year by approximately \$334.8 million. Net position is comprised of: \$309.8 million net investment in capital assets; \$4.9 million restricted for debt service; \$6.7 million restricted for transportation; \$7.6 million restricted for other purposes; \$10.2 million unrestricted and available for the City's business-type activities; offset by (\$4.4 million) unrestricted for governmental purposes.
- Unrestricted governmental net position is calculated at a negative amount after implementation of GASB 54. For our City this relates to Tax Increment Financing (TIF) Notes outstanding in the amount of \$5.2 million. These notes represent special, limited obligations of the City, payable solely from the incremental sales and property taxes generated by the development projects. The annual debt service repayments are contingent upon the amounts of payments in lieu of taxes collected within the district. The debt is recorded on the City's financial statements; however, the assets are not, causing the negative amount in net position.
- Total net position increased approximately \$850,000 over the course of this year's operations. Governmental activities increased by approximately \$3.076 million, and business-type activities decreased by \$2.226 million. Explanations for these changes will be discussed in more detail throughout this report.
- This year existing property values' decreased by less than 1% but due to a continued focus on economic development the City had new construction and annexations of \$24.9 million resulting in an overall increase in assessed valuation for real estate and personal property (excluding the City's Special Districts) of \$23.5 million or 2.3% during fiscal year 2013.
- The City retained the same property tax rate of 77 cents per \$100 of assessed valuation.
- In August 2012, City voters approved Proposition P which increased the Local Park and Storm Water sales tax from one tenth of a percent to one half of a percent. The City began collecting the higher rate in January 2013 and during the year we recorded \$3.2 million more in sales tax revenue for this function than in the prior year.
- Also in 2012, voters approved a \$12 per household annual fee to fund a new Water Service Line Repair Program that began in January 2013. This program pays up to \$3,000 for St. Peters homeowners' repairs to private water service lines from the exterior residential building foundation wall to the City water meter. The \$12 fee is included in the annual real estate tax bill collected by St. Charles County. During the fiscal year we spent \$86,000 and helped over 100 residents.
- The City had the following debt related financial transactions:
 - On November 28, 2012, the City issued \$4,000,000 in General Obligation Bonds, Series 2012, with interest rates ranging from 1.0% to 2.375% and final maturity in 2032. This is the second series of bonds issued in connection with the \$40,000,000 authorized by the voters on August 3, 2010 for the purpose of (a) preparing a storm water watershed master plan; (b) designing, constructing and acquiring real property and easements necessary for the implementation of storm water projects within the City, including but not limited to creek bank stabilization, erosion control, detention basin construction and reconstruction, storm water

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

pollution prevention, construction and reconstruction of the City's storm water collection system, and related improvements thereto; and (c) refinancing certain lease obligations relating to erosion control, watershed and basin improvements and other storm water management related projects within the City.

- During fiscal year 2013, the City issued \$18,540,000 Series 2013 Refunding Certificates of Participation to refund \$20,045,000 aggregate principal amount of the outstanding Series 2006A. The refunding reduced total debt service payments over the next 19 years by approximately \$1.5 million. This results in an economic gain (difference between the present values of the debt services payments on the old and new debt) of \$585,093.
- The City issued \$185,000 in Development Notes during the course of the year.
- Additional information related to the City's outstanding debt can be found in Note 6 of the Basic Financial Statements.
- The City entered into a lawsuit settlement agreement with Metro Fill Development LLC, Lawyers Title Insurance Corporation and U.S. Title Guarantee Company of St. Charles (for recovery of amounts the City paid under the Judgment of a prior lawsuit) and received approximately \$900,000.
- Program revenues are revenues directly associated with a function or program and come from sources other than the City's tax base. This year program revenue decreased government-wide by \$5.6 million. Program revenues are segregated into three areas, charges for services, program-specific grants and contributions and earnings on investments that must be spent on a specific program.
 - This year capital grants and contributions decreased \$6.2 million from the prior year with most of the decrease related to dedications to the public works function of the City, grants from St. Charles County for public work road improvements and dedications in the waterworks/sanitary sewer function.
 - These decreases were offset by an increase in charges for services of \$444,000. On the governmental side there was an increase in building and engineering permit fees of \$187,100 and property rental income of \$70,200 (derived from the rental of a surplus building), and the new program for water line repairs discussed earlier increased public works charges for services by \$224,000. Even though we had increases in our water and sewer rates, since the prior year had such a dry summer we sold less water this year resulting in an overall decrease in charges for this function of \$360,000. Charges for services in both our solid waste function and central materials processing facility function increased. In solid waste we had a rate increase and added new customers and in the materials processing facility function increased activity at the transfer station and yard waste site were offset by decreases in the amount of recycling revenue we received resulting in increases of \$256,000 and \$101,000, respectively.
- General revenues are comprised of all revenues that do not qualify as program revenues. For the City of St. Peters the majority of general revenues are made up of property, sales and franchise taxes. During the year general revenues increased \$7.2 million. This change is due to increased assessed valuation of property discussed previously paired with an increased property tax rate in our special districts (while the City retained its property tax rate; the property tax rate for the school districts increased) resulting in a \$716,000 increase in revenue for property tax. The largest change in general revenues is derived from sales tax. Government wide sales tax increased almost \$5 million. Due to a strengthening economy and the City's emphasis on economic development, sales increased Citywide, but the primary reason for the change is due to the increased sales tax rate for local parks and storm water discussed earlier. Ameren UE increased their rates and we had a colder winter than the year before, thereby increasing natural gas sales resulting in an increase in franchise and other taxes of \$481,000.

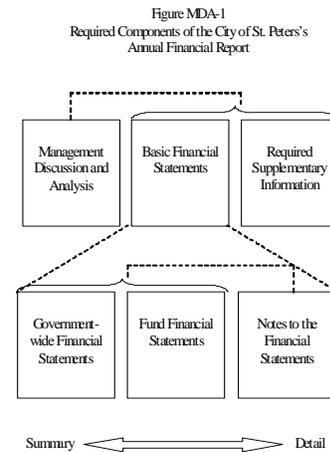
CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: the introductory section; the financial section which includes the auditors' report, management's discussion and analysis, the basic financial statements and required supplementary information, other supplementary information that presents schedules for non-major budgeted governmental funds, budget-based schedules for enterprise activities; and a statistical section presenting other 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.

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.

CITY OF ST. PETERS, MISSOURI

Management’s Discussion and Analysis (continued)

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), and the City's Recreation Fund	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 position 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 position 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 position and how they have changed. Net position—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 position are an indicator of whether its financial health is improving or deteriorating, respectively.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- 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 and recreation activities are included here.

Financial Analysis Of The City As A Whole

Net position

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

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

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current and other assets	\$ 28,099,692	\$ 38,381,798	\$ 18,698,585	\$ 16,142,816	\$ 46,798,277	\$ 54,524,614
Capital assets (net of depreciation)	320,820,268	317,006,275	96,800,957	94,156,883	417,621,225	411,163,158
Total assets	<u>348,919,960</u>	<u>355,388,073</u>	<u>115,499,542</u>	<u>110,299,699</u>	<u>464,419,502</u>	<u>465,687,772</u>
Long-term obligations	68,607,810	69,702,762	46,979,968	44,070,592	115,587,778	113,773,354
Other liabilities	9,752,774	12,049,814	5,132,177	5,067,512	14,884,951	17,117,326
Total liabilities	<u>78,360,584</u>	<u>81,752,576</u>	<u>52,112,145</u>	<u>49,138,104</u>	<u>130,472,729</u>	<u>130,890,680</u>
Net position						
Net investment in capital assets	262,479,439	259,697,165	51,195,406	50,083,741	313,674,845	309,780,906
Restricted	15,976,056	18,334,646	787,071	854,833	16,763,127	19,189,479
Unrestricted	(7,896,119)	(4,396,314)	11,404,920	10,223,021	3,508,801	5,826,707
Total Net Position	<u>\$ 270,559,376</u>	<u>\$ 273,635,497</u>	<u>\$ 63,387,397</u>	<u>\$ 61,161,595</u>	<u>\$ 333,946,773</u>	<u>\$ 334,797,092</u>

As seen in Table MDA-3, the City's total assets of \$465.7 million include \$54.5 million in current and other assets and \$411.2 million in capital assets.

Citywide assets increased during the fiscal year by \$1.3 million. The majority of this change relates to increased cash in our governmental functions at the end of the year (general governmental revenues increased significantly with only a slight increase in governmental expenses combined with the unspent capital project bond proceeds). These increases are offset by a decrease in capital assets due to current year depreciation and disposals in both governmental and business-type activities.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

The City's total liabilities of \$130.9 million include \$113.8 million that is not due or payable in the next fiscal year and \$17.1 in other liabilities. The change in long-term obligations is the result of the previously discussed debt issuance and an increase in the Other Post Employment Benefit "OPEB" Liability offset by debt payments during the year. There was a \$2.2 million increase in other liabilities of which \$1,343,000 relates to debt (\$717,000 increased accrued interest and \$626,000 increase in the current portion of long-term debt). In addition deposits increased \$453,000 due to a large commercial development's construction deposit and claims payable for workmen's compensation and general property increased by \$293,000.

Total net position of approximately \$334.8 million is comprised of \$309.8 million net investment in capital assets; \$19.2 million restricted for debt service, transportation projects and other purposes; \$10.2 million unrestricted and available for the City's business-type activities and as discussed previously a negative \$4.4 million unrestricted for governmental purposes.

Changes in Net Position

The City's combined net position changed by less than 1% during fiscal year 2013 as a result of the activity shown in Table MDA-4.

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

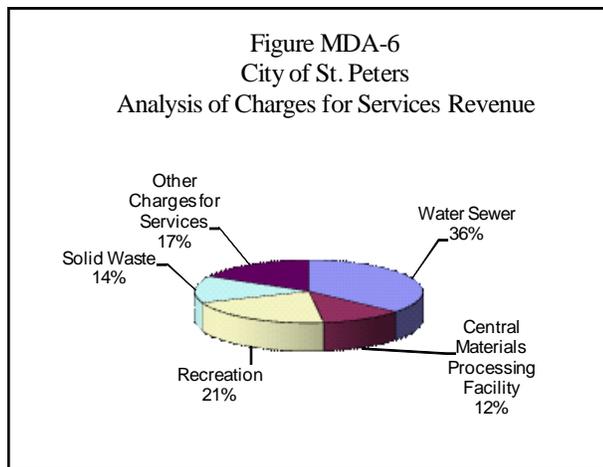
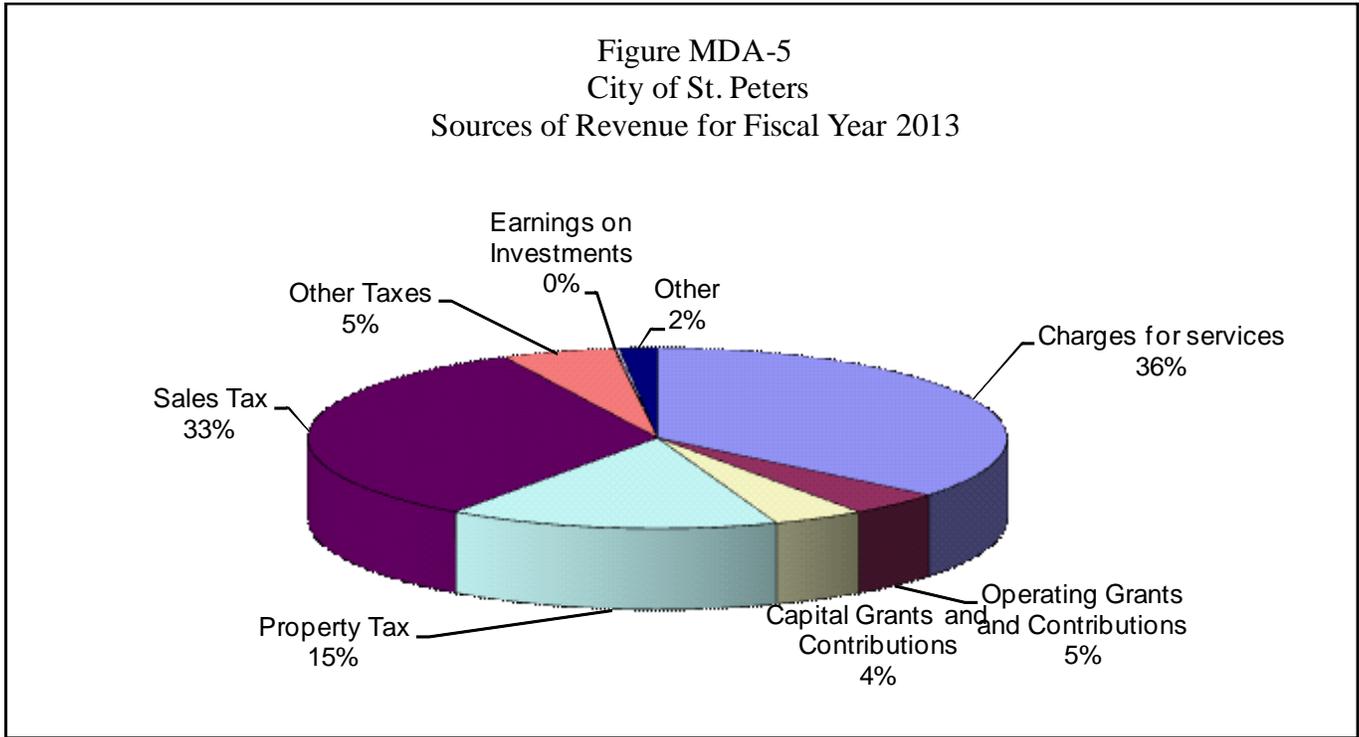
	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
Revenues						
Program Revenues						
Charges for services	\$ 4,642,568	\$ 5,136,528	\$ 24,915,131	\$ 24,884,774	\$ 29,557,699	\$ 30,021,302
Operating Grants and Contributions	3,450,856	3,631,928	-	-	3,450,856	3,631,928
Capital Grants and Contributions	8,227,484	2,919,675	1,547,224	614,710	9,774,708	3,534,385
General Revenue						
Property Tax	12,070,048	12,786,408	-	-	12,070,048	12,786,408
Sales Tax	22,612,591	27,570,502	-	-	22,612,591	27,570,502
Other Taxes	4,069,136	4,390,460	-	-	4,069,136	4,390,460
Earnings on Investments	22,164	35,882	12,824	1,188	34,988	37,070
Gain on Sale of Capital Assets	-	103,457	13,310	79,477	13,310	182,934
Other	398,845	538,000	-	907,278	398,845	1,445,278
Total revenues	<u>55,493,692</u>	<u>57,112,840</u>	<u>26,488,489</u>	<u>26,487,427</u>	<u>81,982,181</u>	<u>83,600,267</u>
Expenses						
General government	7,279,425	6,698,790	-	-	7,279,425	6,698,790
Administration	4,116,344	4,199,160	-	-	4,116,344	4,199,160
Police	12,828,392	12,986,440	-	-	12,828,392	12,986,440
Municipal court	420,486	436,179	-	-	420,486	436,179
Public works	14,559,364	15,085,756	-	-	14,559,364	15,085,756
Engineering	2,243,654	2,269,573	-	-	2,243,654	2,269,573
Maintenance	254,551	331,483	-	-	254,551	331,483
Health	764,863	755,145	-	-	764,863	755,145
Parks and recreation	6,011,172	6,338,658	-	-	6,011,172	6,338,658
Community relations	1,010,835	996,207	-	-	1,010,835	996,207
Community and arts	265,196	263,590	-	-	265,196	263,590
Interest on long-term debt	3,333,056	3,247,811	-	-	3,333,056	3,247,811
Waterworks/Sanitary Sewer	-	-	12,263,810	12,231,505	12,263,810	12,231,505
Solid Waste	-	-	5,070,099	5,141,961	5,070,099	5,141,961
Central Materials Processing Facility	-	-	3,797,178	3,754,701	3,797,178	3,754,701
Recreation	-	-	8,387,854	8,012,989	8,387,854	8,012,989
Total expenses	<u>53,087,338</u>	<u>53,608,792</u>	<u>29,518,941</u>	<u>29,141,156</u>	<u>82,606,279</u>	<u>82,749,948</u>
Increase (decrease) in net position before transfers	2,406,354	3,504,048	(3,030,452)	(2,653,729)	(624,098)	850,319
Transfers	(1,452,908)	(427,927)	1,452,908	427,927	-	-
Increase (decrease) in net position	953,446	3,076,121	(1,577,544)	(2,225,802)	(624,098)	850,319
Beginning Net Position	269,605,930	270,559,376	64,964,941	63,387,397	334,570,871	333,946,773
Ending Net Position	<u>\$ 270,559,376</u>	<u>\$ 273,635,497</u>	<u>\$ 63,387,397</u>	<u>\$ 61,161,595</u>	<u>\$ 333,946,773</u>	<u>\$ 334,797,092</u>

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

For the fiscal year ended September 30, 2013, government-wide revenues totaled \$83.6 million.

Approximately one-third of all revenues are derived from charges from services and another one-third from sales tax.



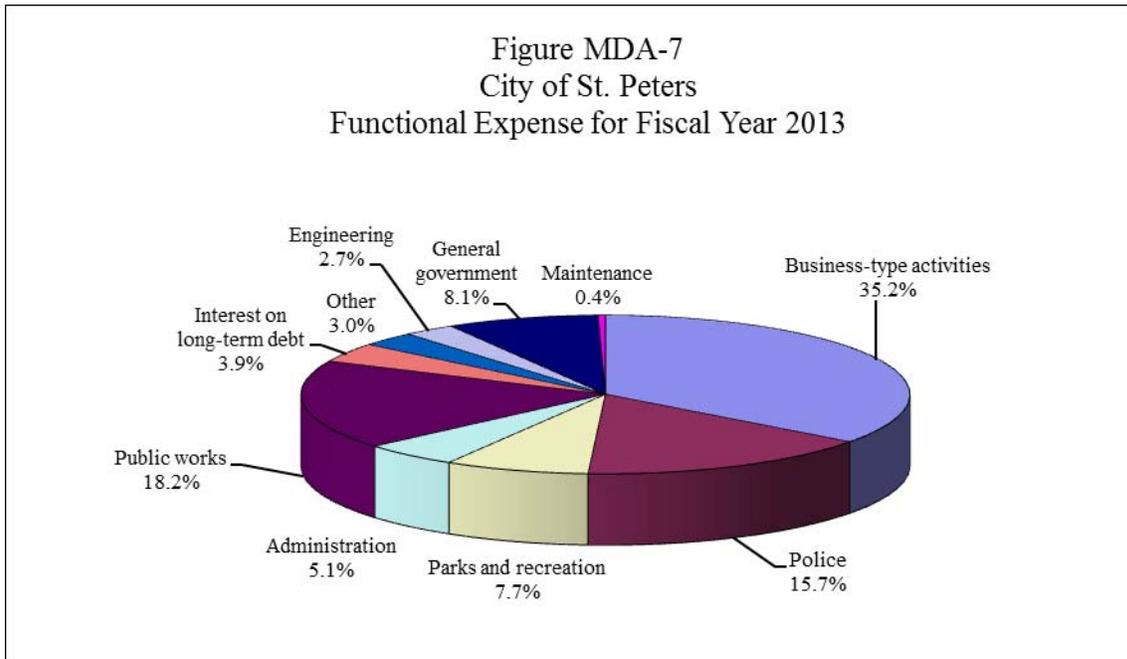
Charges for services are derived from users of the City's programs such as athletic programs at the REC-PLEX, the City's recreational complex, and fees for the users of the City's waterworks and sewerage system and other business-type activities. As seen in Figure MDA-6, the City's water and sewer operations 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 2013 fiscal year equaled \$27.6 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 .5% sales tax for park and storm water activities. In addition, the City has three Tax Increment Financing Districts and sales tax received for these districts is restricted to funding activities within the respective area.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

During fiscal year 2013 the total cost of all programs and services only changed by 0.2% or \$144,000 to a total of \$82.7 million. The City's expenses cover a range of services including parks and recreation, law enforcement, administration and public works. As seen below approximately 35% of all city expenses during the 2013 fiscal year are related to business-type activities.



Governmental Activities

Revenues for the City's governmental activities total \$57.1 million, of which approximately 48% is sales tax, 22% is property tax and 20% is for program revenues such as charges for services and grants and contributions. Expenses for the City's governmental activities total \$53.6 million. These activities, combined with the transfers out of governmental activities result in an increase in net position for the fiscal year of \$3.1 million.

As stated earlier, the cost of all governmental activities this year was \$53.6 million; however, the amount that our taxpayers paid for these services through City taxes was \$41.9 million. Figure MDA-8 presents the cost of each of the City's largest programs as well as the programs' 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. The remaining cost was related to programs that charge those who directly benefit (\$5.1 million) and from grants and contributions (\$6.6 million). The City paid for the \$41.9 million "public benefit" portion with taxes, interest income and other revenues.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

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	\$ 4,199,160	\$ 4,199,160
Engineering	2,269,573	2,269,573
General government	6,698,790	5,054,974
Interest on long-term debt	3,247,811	3,247,811
Other	2,782,604	2,496,590
Parks	6,338,658	6,161,925
Police	12,986,440	8,749,603
Public Works	15,085,756	9,741,025
	<u>\$ 53,608,792</u>	<u>\$ 41,920,661</u>

Charges for services related to governmental activities increased \$494,000 or 10.6%. This change is largely consists of changes in two functions. General governmental which increased by \$280,400 from increased license and permit revenues and public works which increased \$236,000 from the new water line repair program discussed previously. Governmental capital and operating grants and contributions decreased by \$5.1 million relating primarily to the decrease of in dedicated assets (\$3.7 million) with the remaining balance due to a decrease in the amount of grants received for various road and park projects during the year.

As previously discussed general revenues increased \$7.2 million due to in part to a \$716,000 increase in revenue for property tax; an almost \$5 million increase in sales tax from a strengthening economy and the City's emphasis on economic development and the increased tax rate for local parks and storm water; increases in franchise and other taxes of \$481,000 due to an Ameren UE rate increase and a colder winter than in the year before that increased franchise taxes from Laclede Gas.

Governmental expense increased by less than 1% or \$521,000 during fiscal year 2013, some of the significant changes by governmental function are:

- A decrease of \$581,000 in general governmental expense primarily from a drop in the amount recorded on loss on sale of assets (varies every year depending on current year activity).
- An increase in public works expense of \$526,000 related to increases in depreciation expense and public works projects.
- Increases of \$158,000 and \$327,000 for police and parks recreation expenses for salary and fringe benefit changes.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Business-Type Activities

Revenues (excluding transfers) of the City's business-type activities remained at \$26.5 million; expenses decreased \$378,000 to \$29.1 million; and transfers in during the current fiscal year decreased by \$1 million to \$428,000, resulting in an overall decrease in net position for the fiscal year of \$2.2 million. (Refer to Table MDA-4.) Factors contributed to these results included:

- Overall charges for services only changed by \$30,000 to a total of \$24.9 million. Even though we had increases in our water and sewer rates, since the prior year had such a dry summer we sold less water this year resulting in an overall decrease in charges for this function of \$360,000. Charges for services in both our solid waste function and central materials processing facility function increased. In solid waste we had a rate increase and added new customers and in the materials processing facility function increased activity at the transfer station and yard waste site were offset by decreases in the amount of recycling revenue we received. We also had a very slight decrease of \$28,000 in our recreation activities.
- Capital grants and contributions decreased by \$933,000 since we had fewer dedications in our water and sewer operations during the year.
- Business-type general revenues had a \$907,000 increase in other revenues from our solid waste operations. This is mostly from a settlement agreement with Metro Fill Development LLC, Lawyers Title Insurance Corporation and U.S. Title Guarantee Company of St. Charles (for recovery of amounts the City paid under the Judgment of a prior lawsuit) and received approximately \$900,000.
- Even though overall the water and sewer function's expense only decreased by \$32,000 or less than 1% there were several significant increases such as \$249,000 in insurance claims, \$109,000 in supplies, and \$176,000 related to gains/loss in disposal of assets. These increases were offset by decreases of \$367,000 to purchase water (we were in the process of replacing two wells the year before and had to purchase additional water to compensate) and \$206,000 for salary and fringe expense.
- Expense from the solid waste function increased \$72,000 or 1.4%, comprised primarily of a change in of \$77,100 for gains/loss in disposal of assets.
- Expense for the CMPF decreased during fiscal year 2013 by \$42,000. The significant changes include increases in the cost of landfill fees of \$52,700 due to increased tonnage processed offset by a decrease in repair and maintenance of \$142,300.
- Expense for the Recreation Fund decreased by \$375,000 from \$94,000 decreased personnel costs and \$289,000 from reduced bond interest and fees due to the refunding previously discussed.

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 (continued)

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 position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance our activities.

Financial Analysis Of The City's Funds

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

The City of St. Peters has thirteen individual governmental funds. Information is presented separately in the governmental fund statements for the general fund, the transportation trust fund, the debt service fund, the special allocation fund – City Centre, and the capital projects fund all of which are considered major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the other supplementary information section of this report. The City of St. Peters adopts an annual budget for each of the major funds and a budgetary comparison schedule has been provided to demonstrate compliance with this budget.

The City's governmental funds reported a combined fund balance of \$31.1 million, an increase of \$9.3 million from the prior fiscal year. Unassigned fund balance constitutes \$5 million and the remainder of fund balance is either restricted or assigned to indicate that it is not available for new spending because it has already been committed for the following:

- Nonspendable (\$904,000)
- Restricted for:
 - Transportation (\$6.8 million)
 - Sewer lateral projects (\$999,000)
 - Water line repair projects (\$137,000)
 - Special allocation projects (\$3.4 million)
 - Grants (\$796,000)
 - Debt service (\$4.2 million)
 - Local parks and storm water (\$3.2 million)
 - Police services (\$230,000)
 - Storm water projects (\$3.5 million)
- Assigned for:
 - Liquidation of contracts and purchase orders of the prior period (\$335,000)
 - Subsequent year budget (\$399,000)
 - Capital projects (\$1.2 million)

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 2013, the General Fund's fund balance increased by \$2.8 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 operating expenditures. Fund balance represents 25% of the total general fund operating expenditures.

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

- Net transfers in/(out) of \$200,000 (see Note 8 for details).
- Continued efforts to limit operating costs to the amount received in operating resources, not utilizing one-time windfalls to cover everyday expenditures.
- During the year the City issued 526 residential and 11 commercial building permits with estimated construction values of \$70,304,798 and \$15,211,039, respectively. This compares to the prior year of 238 residential and 19 commercial building permits with estimated construction values of \$33,809,533 and \$23,038,108, respectively.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

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 to \$7.5 million. The change in fund balance is attributed to expenditures for maintenance of our existing infrastructure and new infrastructure construction of \$6.2 million and debt service and related fees of \$775,000 offset by resources of \$7.7 million. All of the fund balance is restricted for transportation. Revenues and expenditures are forecasted for road projects on a long-term basis in the City's Capital Improvement Plan to ensure adequate funding and fund balance are available.

The fund balance in the Special Allocation Fund – City Centre increased by \$225,000 to \$1.7 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, surplus tax distributions to the respective taxing districts and debt payments on notes.

Fund balance in the Debt Service Fund decreased by \$127,000 resulting in a total ending balance of \$2.3 million, all of which is available for debt service in future years. During the year, the City had \$2.8 million of expenditures in this fund all related to debt service.

The Capital Projects Fund had a \$2.9 million increase in fund balance. During the year the City incurred \$1.6 million in expenditures for projects offset by revenue from the issuance of bonds and development notes. Approximately half of the expenditures were for the design of storm water improvement projects that totaled \$840,600. In addition, we issued and spent \$185,000 of developer notes for infrastructure improvements for Premier Lakeside 370, \$310,000 toward improvements to the 370 Lakeside Park; and \$210,300 for improvements to our public works/parks facility.

The other eight non-major governmental funds had a \$2.8 million increase in fund balance to a total of \$8.1 million. Significant changes can be attributed to:

- A decrease of \$94,000 in the Sewer Lateral Fund to repair our residents' sewer laterals.
- An increase of \$138,000 in the Water Line Service Repair Fund to repair our residents' water lines.
- An increase of \$1.3 million in the Old Town TIF Fund from revenue in the area offset by infrastructure improvements and surplus distributions within the district.
- An increase of \$140,000 in the Lakeside TIF Fund.
- A decrease of \$154,000 in the Community Development Block Grant Fund "CDBG" as we change over to a sub-recipient from the County under the CDBG Sub-recipient Fund.
- An increase of \$154,000 in the CDBG Sub-Recipient Fund as we change over to a sub-recipient from the County under the CDBG Sub-recipient Fund.
- An increase of \$1.3 million in the Local Park and Storm Water Fund due to increased sales tax revenue from the rate increase discussed earlier offset by increased projects for parks and storm water.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Budget Adjustments

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

- Increased revenue to reflect tourism tax (\$121,500) and a small police grant (\$13,500).
- Moved \$681,000 from the General Fund to the Local Park and Storm Water Fund after Proposition P passed. These expenditures related to the Storm Water Department's salary and fringe benefit expense.
- Added three full-time employees for a partial year in the Parks Department (\$60,000).
- Capital outlay was adjusted by a net amount of \$168,993. This accounts for a reduction in parks capital of \$251,650 that was moved over to the Local Park and Storm Water Fund after Proposition P passed, the \$70,000 funding of a replacement fuel tank for a generator at City Hall, \$40,000 for a video server automation project in our Communication's Department, the carry forward of \$224,393 of improvements to City Hall that were not accomplished in the prior year and some other small projects.
- There was a budget adjustment done to carry forward a reserve transfer of \$224,393 for money that was set aside to pay for the improvements at City Hall and a \$32,300 reserve transfer for tourism activities that was then passed on to the Recreation Fund to assist in funding events they held that create tourism in our city.
- Transfers to/from other funds were also adjusted during the course of the year to account for changes in funding of projects. Detail for interfund transfers can be found in Note 8 of the Basic Financial Statements.

Variations Between Final Budget and Actual Result of the General Fund

Overall the City ended the fiscal year \$2 million better than budget. Overall revenues came in slightly above budget (\$178,200) and expenses came in better than budget (\$1,852,000). There were fluctuations in almost all line items. The variations between final budget and actual amounts seen in Figure MDA-9 below:

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Figure MDA-9
Variations from Final General Fund Budget To Actual Results

Revenues	\$ Change from Budget
Sales tax	\$ (305,178)
Property tax	160,460
Utility franchise tax	96,784
Cigarette tax	(40,352)
Licenses and permits	188,599
Interest	(24,145)
Intergovernmental	65,601
Fines and forfeitures	(244,899)
Charges for services	59,509
Miscellaneous	221,823
Total Revenues	<u>178,202</u>
Expenditures	
General government	16,147
Administration	412,482
Police	387,921
Municipal court	29,095
Public works	116,061
Engineering	137,900
Maintenance	77,438
Health	72,835
Parks and recreation	326,160
Community relations	100,208
Community and arts	930
Capital outlay	172,176
Debt service:	
Principal	-
Interest and fiscal charges	565
Other	2,000
Total Expenditures	<u>1,851,918</u>
Revenues Over Expenditures	<u>2,030,120</u>
Other Financing Uses	(43,254)
Revenues Under Expenditures and Other Financing Uses	1,986,866
Fund Balances	
Budget basis:	
Unreserved:	
Beginning of year	-
Transfer from (to) reserved	(236,261)
End of year	<u>1,750,605</u>
Reserved:	
Beginning of year	-
Transfer from (to) unreserved	236,261
End of Year	<u>236,261</u>
Budget basis, end of year	<u>\$ 1,986,866</u>

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Since overall revenues in the General Fund were projecting to come in close to budget the City did not adjust many individual revenue classifications during the year. As shown in the above table overall revenues were only \$178,200 (less than 1%) better than budget. When we adopted the initial budget we expected sales tax growth that we did not receive. Property tax revenues are budgeted based on the assessed valuations received from the County multiplied by the tax rate. The assessed valuation for the City can change during the year (from previously undeclared property etc.) and impact this revenue classification. When we adopted the budget we had reduced licenses and permit revenue based off of past receipts and estimates of economic development. However this line item was over budget by \$189,000 due to the issuance of 280 more permits with construction value of \$28.7 million more than in the prior year. Fines and forfeitures were \$245,000 less than budget due to fewer citations issued and miscellaneous revenue was \$222,000 more than budget from the sale of surplus capital items.

The City conservatively budgets expenditures and did not make many adjustments during the year to reflect how actual results were coming in. Of the \$1.9 million better than budget in expenditures the majority is in salary and benefits, due to vacant positions, market increases less than anticipated, a better than actual year in medical claims and a continued Citywide emphasis on controlling costs. Additional savings in professional services in governmental, administration and engineering and capital expenditures were offset with overages property insurance claims and miscellaneous expense for storm control when the City was hit with flooding and bad storms in the spring.

Long-Term Debt

At September 30, 2013, the City had a number of debt issues outstanding. These issues included \$36,830,000 of general obligation (G.O.) bonds; \$5,184,000 of Tax Increment Financing (TIF) notes; \$18,700 in Limited General Obligation bonds; \$28,090,000 in Certificate of Participation bonds \$13,305,000 of Developer notes; and \$39,035,000 of Water/Sewer Revenue bonds.

Figure MDA-10
City of St. Peters's Outstanding Debt
September 30, 2013

	<u>2012</u>	<u>2013</u>
Governmental Activities		
General Obligation (G.O.) Bonds	\$ 34,320,000	\$ 36,830,000
Tax Increment Financing (TIF) Notes	6,519,000	5,184,000
Limited General Obligation (G.O.) Bonds	24,700	18,700
Certificate of Participation	12,015,000	11,250,000
Development Notes	13,120,000	13,305,000
TOTAL	<u>\$ 65,998,700</u>	<u>\$ 66,587,700</u>
Business-type Activities		
Water/Sewer Revenue Bonds (Net of Unaccrued Capital Appreciation)	\$ 28,468,375	\$ 39,035,000
Certificate of Participation	18,975,000	16,840,000
TOTAL	<u>\$ 47,443,375</u>	<u>\$ 55,875,000</u>
Total		
General Obligation (G.O.) Bonds	\$ 34,320,000	\$ 36,830,000
Tax Increment Financing (TIF) Notes	6,519,000	5,184,000
Limited General Obligation (G.O.) Bonds	24,700	18,700
Certificate of Participation	30,990,000	28,090,000
Development Notes	13,120,000	13,305,000
Water/Sewer Revenue Bonds (Net of Unaccrued Capital Appreciation)	28,468,375	39,035,000
TOTAL	<u>\$ 113,442,075</u>	<u>\$ 122,462,700</u>

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

As discussed previously during the year the City issued:

- \$4,000,000 in G.O. Bonds for storm water projects.
- \$18,540,000 in Series 2013 Refunding Certificates of Participation to refund \$20,045,000 aggregate principal amount of the outstanding Series 2006A
- \$185,000 in Development Notes during the course of the year.

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, 2013, the City was well within this limit with a legal debt margin of \$69,115,009. 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 \$103,806,563 at September 30, 2013. Additional information about the City's long-term debt is presented in Note 6 to the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2013, the City had invested \$411 million (net of accumulated depreciation) in a broad range of capital assets including land, structures and improvements, machinery and equipment, water and sewer lines, vehicles, and infrastructure. The decrease in the City of St. Peters' investment in capital assets that relate to activity in fiscal year 2013 was \$6.5 million.

- \$13 million in new assets
- \$16.9 million in depreciation
- \$303,315 in retirements (net of accumulated depreciation)
- \$2.3 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 \$4.5 million of road projects (significant projects include the completion of West Sunny Hills Drive and City Centre Drive, also the addition of right turn lanes at the intersection of Salt Lick Road and Mexico Road). Included in this amount is over \$881,000 of dedications the City accepted in dedicated streets, sidewalks, storm sewers and right-of-way from developers and subdivisions.
- We also added approximately \$700,000 in improvements to City buildings including the renovation of the Boone's Hill building that houses our streets and parks operations; \$209,000 in computer equipment, and \$445,000 in police and public works vehicles.

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:
 - \$440,000 in Water Tower Improvements and Sewer Pump Stations
 - \$908,000 in water and sewer lines (including dedications) and the rehabilitation of 2 wells
 - \$136,000 in vehicles and other machinery and equipment related to the water and sewer operations

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- The major change related to the Solid Waste Fund is the replacement of four solid waste collection vehicles.
- The major change in the Central Materials Processing Fund was the replacement of front end loader.
- In the Recreation Fund \$327,000 in land improvements and structures such as an archery range and expansion of RV facilities at Lakeside 370 Park. In addition we added approximately \$306,000 for machinery, equipment and fixtures. The majority of this is to replace a scoreboard in the Natatorium at REC-PLEX, and to replace equipment such as treadmills in our fitness area.

Outstanding encumbrances for capital assets at the end of the fiscal year were \$2.2 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Our fundamental focus when preparing this year's budget was balancing the General Fund without cutting services. As with most municipalities, the City's primary revenues are derived from taxes. As discussed during the Five Year Capital Improvement Plan process earlier this year, we have seen growth in sales tax revenue during the current fiscal year but property values have continued to decline. With the passage of Proposition P and as the economy continues to recover, we are anticipating roughly 10.3% more sales tax revenue for the 2013/14 fiscal year than was budgeted in the prior fiscal year.

Fiscal year 2013/14 is a reassessment year (reassessment occurs every two years) and property tax revenue is expected to decline by roughly 4%. 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 during the economic downturn, the City has retained a property tax rate of 77 cents per \$100 of assessed valuation since 2007. We have reallocated this total tax levy between the General Fund and the Debt Service Fund over the past years as needed.

The proposed budget assumes the property tax be kept at the same rate with a change in the allocation between the General Fund and the Debt Service Fund. Property tax revenue is based on an estimated tax rate of \$.6276 in the General Fund and \$.1424 in the Debt Service Fund. The limit on the rate that can be levied for the General Fund is set by state statutes and the Missouri Constitution. These rates are subject to change after we receive our final assessed valuation from the County, and we will calculate the tax rate ceiling based on the final valuation. The overall rate of \$.77 will not change; however, the General Fund and Debt Service Fund rates may change up or down based on the final valuation submitted to the State. The 2013 tax rates will be established by the Board of Aldermen on or before September 30, 2013. Also included in property tax revenue is a surcharge for commercial property, penalties, and interest. Property tax generated will decrease by \$220,500 citywide (an \$89,800 increase in the General Fund and a \$310,300 decrease in the Debt Service Fund due to the reallocation). Property tax generated in the tax increment financing districts will decrease by \$150,800.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

While preparing this budget, consideration was given to both the needs of the City of St. Peters during the 2013/14 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). Following the City's goal of implementing and following the City's Comprehensive Plan, 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. The current CIP can be found on the City's website at <http://www.stpetersmo.net/capital-improvement-plan.aspx>.

Thanks to our citizens, Proposition P passed on August 7, 2012 authorizing a four-tenths of a cent sales tax increase to pay for storm water and parks improvements and maintenance. St. Peters voters previously authorized up to \$40 million in bonds to pay for storm water improvements, and the Board of Aldermen has issued \$4 million of those bonds so far to help pay for the first round of storm water improvements. The City is issuing storm water bonds as needed and paying off those bonds with revenues from the Proposition P sales tax increase that went into effect on January 1, 2013.

Revenue generation opportunities are limited for municipalities and as we do every year we have reviewed fees in all of our funds and propose fee increases in our Enterprise Funds. During the CIP the Board approved rate increases of 3.5% in our Water and Sewer Fund and future annual increases for solid waste collection fees starting in 2013/14 of approximately 1.5% to keep up with inflationary costs. In addition, the Board approved increases in the water turn on/off fees in our Water and Sewer Fund bringing them from ten dollars (\$10.00) during normal business hours plus an additional ten dollars (\$10.00) after normal business hours to twenty-five dollars (\$25.00) during normal business hours plus an additional fifty dollars (\$50.00) after normal business hours.

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, Missouri 63376.

Basic Financial Statements

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Natatorium Foundation
Assets:				
Cash and investments	\$ 29,509,888	\$ 8,636,300	\$ 38,146,188	\$ 2,019,578
Receivables (net):				
Taxes	3,366,866	-	3,366,866	-
Services	-	2,599,390	2,599,390	-
Intergovernmental	320,081	-	320,081	-
Other	771,152	976,637	1,747,789	2,198
Internal balances	302,554	(302,554)	-	-
Inventory and prepaid items	903,715	75,985	979,700	-
Bond issue costs	337,299	501,781	839,080	-
Investment in joint venture	-	1,895,817	1,895,817	-
Restricted cash and investments	2,224,724	1,759,460	3,984,184	-
Long-term receivables	645,519	-	645,519	-
Capital assets:				
Nondepreciable	160,023,587	1,844,445	161,868,032	-
Depreciable	156,982,688	92,312,438	249,295,126	-
Total Assets	355,388,073	110,299,699	465,687,772	2,021,776
Liabilities:				
Accounts payable	2,632,804	834,683	3,467,487	-
Accrued interest	1,516,495	160,358	1,676,853	-
Accrued payroll	1,146,976	400,141	1,547,117	-
Unearned revenue	568,190	287,505	855,695	-
Deposits	1,001,531	251,320	1,252,851	-
Claims payable	1,207,436	-	1,207,436	-
Other liabilities	-	4,839	4,839	-
Long-term liabilities:				
Due within one year	3,976,382	3,128,666	7,105,048	-
Due in more than one year	69,702,762	44,070,592	113,773,354	-
Total Liabilities	81,752,576	49,138,104	130,890,680	-
Net Position:				
Net investment in capital assets	259,697,165	50,083,741	309,780,906	-
Restricted for:				
Transportation	6,669,809	-	6,669,809	-
Sewer lateral projects	999,105	-	999,105	-
Water line repair projects	137,581	-	137,581	-
Special allocation projects	2,310,506	-	2,310,506	-
Grants	795,838	-	795,838	-
Debt service	4,012,669	854,833	4,867,502	-
Local parks and stormwater	3,178,790	-	3,178,790	-
Police services	230,348	-	230,348	-
Unrestricted	(4,396,314)	10,223,021	5,826,707	2,021,776
Total Net Position	\$ 273,635,497	\$ 61,161,595	\$ 334,797,092	\$ 2,021,776

CITY OF ST. PETERS, MISSOURI

**BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	Major Funds					Nonmajor	Total
	General	Transportation Trust	Special Allocation-City Centre	Debt Service	Capital Projects	Funds	
						Other Governmental Funds	Governmental Funds
Assets:							
Cash and investments:							
Unrestricted	\$ 8,129,099	\$ 7,340,425	\$ 401,929	\$ 2,146,392	\$ 4,494,597	\$ 6,997,446	\$ 29,509,888
Restricted	87,005	628,655	1,342,186	-	-	166,878	2,224,724
Receivables, net of allowances where applicable:							
Taxes	2,129,768	504,856	128,871	93,803	-	509,568	3,366,866
Intergovernmental	75,030	221,617	-	-	-	23,434	320,081
Other	325,665	17,819	31,748	4,644	-	330,493	710,369
Due from other funds	350,398	-	-	-	-	-	350,398
Long term receivables	-	-	-	-	-	645,519	645,519
Inventory and prepaid items	877,270	26,445	-	-	-	-	903,715
Total Assets	\$ 11,974,235	\$ 8,739,817	\$ 1,904,734	\$ 2,244,839	\$ 4,494,597	\$ 8,673,338	\$ 38,031,560
Liabilities and Fund Balances:							
Liabilities:							
Accounts payable	\$ 887,396	\$ 679,537	\$ 222,730	\$ 1,970	\$ 385,314	\$ 455,857	\$ 2,632,804
Accrued liabilities	1,089,534	20,030	-	-	-	37,412	1,146,976
Deposits/guarantee bonds	998,381	-	-	-	-	3,150	1,001,531
Due to other funds	-	16,674	-	-	-	31,170	47,844
Deferred revenue	284,917	525,000	-	86,768	-	23,695	920,380
Claims payable	1,207,436	-	-	-	-	-	1,207,436
Total Liabilities	4,467,664	1,241,241	222,730	88,738	385,314	551,284	6,956,971
Fund Balances:							
Nonspendable	877,270	26,445	-	-	-	-	903,715
Restricted for:							
Transportation	-	6,843,476	-	-	-	-	6,843,476
Sewer lateral projects	-	-	-	-	-	999,105	999,105
Water line repair projects	-	-	-	-	-	137,581	137,581
Special allocation projects	-	-	562,547	-	-	2,827,999	3,390,546
Grants	-	-	-	-	-	795,838	795,838
Debt service	87,005	628,655	1,119,457	2,156,101	-	167,586	4,158,804
Local parks and stormwater	-	-	-	-	-	3,193,945	3,193,945
Police services	230,348	-	-	-	-	-	230,348
Stormwater projects	-	-	-	-	3,470,173	-	3,470,173
Assigned for:							
Capital projects	564,291	-	-	-	639,110	-	1,203,401
Encumbrances	334,787	-	-	-	-	-	334,787
Subsequent year budget	398,775	-	-	-	-	-	398,775
Unassigned	5,014,095	-	-	-	-	-	5,014,095
Total Fund Balances	7,506,571	7,498,576	1,682,004	2,156,101	4,109,283	8,122,054	31,074,589
Total Liabilities and Fund Balances	\$ 11,974,235	\$ 8,739,817	\$ 1,904,734	\$ 2,244,839	\$ 4,494,597	\$ 8,673,338	\$ 38,031,560

CITY OF ST. PETERS, MISSOURI

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

Total Fund Balance - Governmental Funds \$ 31,074,589

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. The cost of the assets is \$474,891,884 and the accumulated depreciation is \$157,885,609 317,006,275

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. 352,190

To recognize federal interest subsidy which is not a current financial resource and therefore is not reported in the funds. 60,783

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 position. 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, 2013 are:

Accrued compensated absences, vacation	(1,340,382)
Accrued interest on outstanding debt	(1,516,495)
Other post employment benefit obligation	(6,239,251)
Net pension obligation	(136,228)
Bonds and notes payable	(66,587,700)
Unamortized bond discount and deferred amount on refunding	756,300
Unamortized bond premium	(131,883)
Unamortized bond issue costs	337,299

Total Net Position - Governmental Activities \$ 273,635,497

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Major Funds					Nonmajor	Total	
	General	Transportation Trust	Special Allocation- City Centre	Debt Service	Capital Projects	Funds		Governmental Funds
						Other Governmental Funds		
Revenues:								
Sales tax	\$ 12,600,822	\$ 6,300,412	\$ 3,267,374	\$ -	\$ -	\$ 5,280,408	\$ 27,449,016	
Property tax	6,974,494	-	3,117,032	1,858,437	-	830,643	12,780,606	
Utility franchise tax	4,197,144	-	4,168	-	-	-	4,201,312	
Cigarette tax	189,148	-	-	-	-	-	189,148	
Licenses and permits	1,241,499	-	-	-	-	-	1,241,499	
Interest	855	705	21,611	1,060	2,344	9,308	35,883	
Intergovernmental	3,434,301	1,343,151	-	-	-	213,491	4,990,943	
Fines and forfeitures	2,366,601	-	-	-	-	-	2,366,601	
Charges for services	684,309	-	-	-	-	769,784	1,454,093	
Miscellaneous	467,292	69,812	-	3,244	200,665	74,034	815,047	
Total Revenues	32,156,465	7,714,080	6,410,185	1,862,741	203,009	7,177,668	55,524,148	
Expenditures:								
Current:								
General government	1,567,803	-	4,363,300	-	-	443,794	6,374,897	
Administration	3,724,140	-	-	-	-	-	3,724,140	
Police	11,658,421	-	-	-	-	-	11,658,421	
Municipal court	414,265	-	-	-	-	-	414,265	
Public works	1,864,145	3,312,732	-	-	-	1,875,032	7,051,909	
Engineering	2,082,349	-	-	-	-	-	2,082,349	
Maintenance	284,120	-	-	-	-	-	284,120	
Health	556,075	-	-	-	-	-	556,075	
Parks and recreation	5,265,285	-	-	-	-	19,329	5,284,614	
Community relations	854,999	-	-	-	-	-	854,999	
Community and arts	185,330	-	-	-	-	-	185,330	
Capital outlay	892,785	2,926,695	41,899	-	1,530,279	960,082	6,351,740	
Debt service:								
Principal retirement	300,000	350,000	1,335,000	1,490,000	-	121,000	3,596,000	
Interest	82,435	424,675	443,348	1,282,604	-	50,737	2,283,799	
Other	-	784	1,568	41,584	58,438	1,490	103,864	
Total Expenditures	29,732,152	7,014,886	6,185,115	2,814,188	1,588,717	3,471,464	50,806,522	
Revenues Over (Under) Expenditures	2,424,313	699,194	225,070	(951,447)	(1,385,708)	3,706,204	4,717,626	
Other Financing Sources (Uses):								
Transfers in	1,280,379	-	-	824,670	-	-	2,105,049	
Transfers out	(1,080,292)	-	-	-	-	(934,647)	(2,014,939)	
Proceeds from sale of capital assets	159,311	26,348	-	-	-	-	185,659	
Issuance of debt	1,700,000	-	-	-	4,185,000	-	5,885,000	
Bond premium	-	-	-	-	129,687	-	129,687	
Payment to escrow agent	(1,700,000)	-	-	-	-	-	(1,700,000)	
Total Other Financing Sources (Uses)	359,398	26,348	-	824,670	4,314,687	(934,647)	4,590,456	
Net Changes in Fund Balances	2,783,711	725,542	225,070	(126,777)	2,928,979	2,771,557	9,308,082	
Fund Balances:								
Beginning of Year	4,722,860	6,773,034	1,456,934	2,282,878	1,180,304	5,350,497	21,766,507	
End of Year	\$ 7,506,571	\$ 7,498,576	\$ 1,682,004	\$ 2,156,101	\$ 4,109,283	\$ 8,122,054	\$ 31,074,589	

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 FISCAL YEAR ENDED SEPTEMBER 30, 2013**

Net change in fund balances - total governmental funds \$ 9,308,082

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	6,643,075	
Proceeds from sale of capital assets	(185,659)	
Donated capital assets	1,480,580	
Net transfer of assets between the proprietary and governmental activities	(518,037)	
Depreciation expense	<u>(11,337,409)</u>	(3,917,450)

In the statement of activities, the gain (loss) on the sale of capital assets is reported. The gain (loss) is not a use of current resources and, thus, is not reported in the funds. 103,457

The governmental funds report bond proceeds as an other financing source, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds financial statements but reduces the long-term liabilities in the statement of net assets.

Issuance of debt	(5,885,000)	
Principal payment to escrow agent	1,700,000	
Repayment of bond and note principal	<u>3,596,000</u>	(589,000)

Under the modified accrual basis of accounting used in governmental funds the effect of issuance costs, discounts and premiums are recognized when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due, whereas in the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. The net effect of these differences is as follows:

Accrued interest on bonds	(717,421)	
Compensated absences	(86,348)	
Other post employment benefits	(751,726)	
Net pension obligation	(5,714)	
Premium on debt issuances, net of amortization	(123,762)	
Discount on debt issuances and deferred amount on refunding, net of amortization	(164,750)	
Deferred bond issuance costs, net of amortization	<u>16,100</u>	(1,833,621)

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this year. 5,802

In the statement of activities, federal interest subsidy is recognized as an economic resource, whereas in the governmental funds, the interest subsidy is recorded as nonexchange revenue when all eligibility requirements are met. (1,149)

Change in net position of governmental activities \$ 3,076,121

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2013**

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	
Assets:					
Current Assets:					
Cash and investments:					
Unrestricted	\$ 3,868,799	\$ 1,834,684	\$ 926,117	\$ 2,006,700	\$ 8,636,300
Restricted	1,759,460	-	-	-	1,759,460
Receivables, net allowances:					
Services	1,701,458	821,893	76,039	-	2,599,390
Other	423,613	149,536	245,624	157,864	976,637
Inventory/prepays	-	-	44,952	31,033	75,985
Bond issue costs	303,219	-	-	198,562	501,781
Total Current Assets	8,056,549	2,806,113	1,292,732	2,394,159	14,549,553
Noncurrent Assets:					
Investment in joint venture	1,895,817	-	-	-	1,895,817
Capital assets	111,279,531	8,417,186	6,611,452	51,099,525	177,407,694
Less: Accumulated depreciation	50,275,861	6,602,882	4,368,884	22,003,184	83,250,811
Capital assets - net	61,003,670	1,814,304	2,242,568	29,096,341	94,156,883
Total Noncurrent Assets	62,899,487	1,814,304	2,242,568	29,096,341	96,052,700
Total Assets	70,956,036	4,620,417	3,535,300	31,490,500	110,602,253
Liabilities:					
Current Liabilities:					
Accounts payable	498,343	30,813	211,822	93,705	834,683
Accrued payroll	134,793	74,446	57,519	133,383	400,141
Accrued compensated absences	175,622	95,543	70,587	86,914	428,666
Accrued interest	82,050	-	-	78,308	160,358
Deposits held for others	154,258	-	-	97,062	251,320
Due to other funds	196,869	66,663	4,550	34,472	302,554
Deferred revenue	38,016	-	-	249,489	287,505
Current portion of revenue bonds payable	1,795,000 *	-	-	905,000	2,700,000
Other	-	-	-	4,839	4,839
Total Current Liabilities	3,074,951	267,465	344,478	1,683,172	5,370,066
Noncurrent Liabilities:					
Long-term portion of revenue bonds payable	25,799,733	-	-	15,573,409	41,373,142
Other long-term liabilities	1,040,882	573,239	509,226	574,103	2,697,450
Total Liabilities	29,915,566	840,704	853,704	17,830,684	49,440,658
Net Position:					
Net investment in capital assets	33,408,937	1,814,304	2,242,568	12,617,932	50,083,741
Restricted for debt service	854,833	-	-	-	854,833
Unrestricted	6,776,700	1,965,409	439,028	1,041,884	10,223,021
Total Net Position	\$ 41,040,470	\$ 3,779,713	\$ 2,681,596	\$ 13,659,816	\$ 61,161,595

* Payable from restricted assets

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	
Operating Revenues:					
Water	\$ 4,749,204	\$ -	\$ -	\$ -	\$ 4,749,204
Sewer	4,115,978	-	-	-	4,115,978
Solid waste	-	4,028,176	-	-	4,028,176
Tap on fees	642,900	-	-	-	642,900
Tipping fees	-	-	1,891,095	-	1,891,095
Recycling income	-	-	1,208,826	-	1,208,826
Earth Centre	-	-	355,541	-	355,541
Recreation	-	-	-	6,356,701	6,356,701
Miscellaneous	1,380,211	118,738	37,404	-	1,536,353
Total Operating Revenues	10,888,293	4,146,914	3,492,866	6,356,701	24,884,774
Operating Expenses:					
Personnel costs	3,864,065	2,241,033	1,699,305	3,481,607	11,286,010
Depreciation	2,785,125	609,094	244,097	1,954,237	5,592,553
Utilities	672,649	37,301	49,694	886,257	1,645,901
Purchased water	628,875	-	-	-	628,875
Wastewater treatment costs	94,999	-	-	-	94,999
Disposal fees	-	972,851	959,742	-	1,932,593
Repairs and maintenance	571,669	250,230	79,661	218,892	1,120,452
Chemicals and supplies	312,219	2,740	-	76,377	391,336
Professional services	267,417	18,080	34,355	151,346	471,198
Office expense	200,776	52,558	206,326	330,798	790,458
Insurance	332,442	26,157	2,426	46,249	407,274
Gasoline and fuel	135,259	273,849	41,259	29,329	479,696
Rent	8,297	1,420	3,021	-	12,738
Concessions	-	-	-	217,497	217,497
Miscellaneous	830,551	656,648	434,815	66,524	1,988,538
Total Operating Expenses	10,704,343	5,141,961	3,754,701	7,459,113	27,060,118
Operating Income (Loss)	183,950	(995,047)	(261,835)	(1,102,412)	(2,175,344)
Nonoperating Revenues (Expenses):					
Interest on investments	511	289	101	287	1,188
Bond interest and fees	(1,284,704)	-	-	(553,876)	(1,838,580)
(Loss) gain on disposal of capital assets	(172,115)	77,077	-	2,400	(92,638)
Lawsuit settlement	-	907,278	-	-	907,278
Equity loss in joint venture	(70,343)	-	-	-	(70,343)
Total Nonoperating Revenues (Expenses)	(1,526,651)	984,644	101	(551,189)	(1,093,095)
(Income) Loss Before Capital Contributions and Transfers	(1,342,701)	(10,403)	(261,734)	(1,653,601)	(3,268,439)
Capital contributions	614,710	-	-	518,037	1,132,747
Transfers in	-	-	-	1,112,292	1,112,292
Transfers out	-	(1,161,761)	-	(40,641)	(1,202,402)
Changes In Net Position	(727,991)	(1,172,164)	(261,734)	(63,913)	(2,225,802)
Net Position - Beginning of Year	41,768,461	4,951,877	2,943,330	13,723,729	63,387,397
Net Position - End of Year	\$ 41,040,470	\$ 3,779,713	\$ 2,681,596	\$ 13,659,816	\$ 61,161,595

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Major Enterprise Funds				
	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	Total Enterprise Funds
Cash Flows From Operating Activities:					
Receipts from customers	\$ 9,514,768	\$ 3,986,530	\$ 3,454,278	\$ 6,380,597	\$ 23,336,173
Payments to suppliers	(4,203,162)	(2,278,235)	(1,799,217)	(2,027,037)	(10,307,651)
Payment to employees	(3,742,383)	(2,164,208)	(1,641,781)	(3,396,188)	(10,944,560)
Other receipts	1,441,700	104,039	(87,409)	29,638	1,487,968
Net Cash Provided By (Used In) Operating Activities	3,010,923	(351,874)	(74,129)	987,010	3,571,930
Cash Flows Provided By (Used In) Noncapital Financing Activities:					
Lawsuit settlement	-	907,278	-	-	907,278
Advances on (repayments of) internal balances	112,496	28,085	(14,423)	(3,862)	122,296
Net Cash Provided By (Used In) Noncapital Financing Activities	112,496	935,363	(14,423)	(3,862)	1,029,574
Cash Flows From Capital and Related Financing Activities:					
Transfers in	-	-	-	1,112,292	1,112,292
Transfers out	-	(1,161,761)	-	(40,641)	(1,202,402)
Acquisition and construction of capital assets, net	(702,614)	(944,394)	(203,309)	(187,192)	(2,037,509)
Proceeds from sale of capital assets	48,710	77,077	-	2,400	128,187
Principal paid on bonds	(1,695,000)	-	-	(18,975,000)	(20,670,000)
Issuance of Refunding Certificates of Participation	-	-	-	16,840,000	16,840,000
Interest and fees paid on bonds	(198,087)	-	-	(1,085,451)	(1,283,538)
Net Cash Used In Capital and Related Financing Activities	(2,546,991)	(2,029,078)	(203,309)	(2,333,592)	(7,112,970)
Cash Flows Provided By Investing Activities:					
Interest received on investments	511	289	101	287	1,188
Net Increase (Decrease) In Cash And Cash Equivalents	576,939	(1,445,300)	(291,760)	(1,350,157)	(2,510,278)
Cash and Cash Equivalents - Beginning of Year	5,051,320	3,279,984	1,217,877	3,356,857	12,906,038
Cash and Cash Equivalents - End of Year	\$ 5,628,259	\$ 1,834,684	\$ 926,117	\$ 2,006,700	\$ 10,395,760
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:					
Operating Income (loss)	\$ 183,950	\$ (995,047)	\$ (261,835)	\$ (1,102,412)	\$ (2,175,344)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	2,785,125	609,094	244,097	1,954,237	5,592,553
(Increase) decrease in assets:					
Services receivable	6,686	(41,646)	(1,184)	-	(36,144)
Miscellaneous receivable	56,441	(14,699)	(124,813)	21,615	(61,456)
Inventory	2,688	-	105,598	2,259	110,545
Increase (decrease) in liabilities:					
Accounts payable	(150,697)	13,599	(93,516)	(6,027)	(236,641)
Accrued payroll	(2,655)	7,631	6,521	16,909	28,406
Accrued vacation	1,161	1,448	(6,473)	78	(3,786)
Deposits held for others	5,048	-	-	6,811	11,859
Other liabilities	123,176	67,746	57,476	93,540	341,938
Total Adjustments	2,826,973	643,173	187,706	2,089,422	5,747,274
Net Cash Provided By (Used In) Operating Activities	\$ 3,010,923	\$ (351,874)	\$ (74,129)	\$ 987,010	\$ 3,571,930

Noncash Investing, Capital and Financing Activities:

During fiscal year 2013, the Waterworks/Sanitary Sewer Fund received \$614,710 in contributed water and sewer lines from developers and incurred a \$54,785 equity loss in joint venture. The Recreation Fund received \$518,037 in contributed capital from governmental activities.

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION -
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SEPTEMBER 30, 2013**

ASSETS:

Cash and investments:

Held by trustees:

Money market mutual funds \$ 47,972

Domestic equity investments:

Exchange traded funds 2,595,445

Mutual funds 2,773,971

International equities:

Common stock foreign 76,540

Exchange traded funds 629,485

Mutual funds 555,284

Fixed income investments:

Credit 772,201

Diversified taxable mutual funds 2,532,477

Other 93,954

Alternative investments:

Hedge funds 445,421

Infrastructure 114,042

Traded real estate 156,951

Commodities 145,080

Receivables, net of allowances:

Interest 8,605

Prepaid items 13,584

Total Assets 10,961,012

LIABILITIES:

Accounts payable 51,133

Deferred revenue 13,623

Total Liabilities 64,756

NET POSITION:

Restricted for other post employment benefits \$ 10,896,256

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

ADDITIONS:

Contributions:

City of St. Peters	\$ 429,000
Plan members	126,648
Total Contributions	<u>555,648</u>

Investment income:

Interest and dividends	377,075
Net depreciation in the fair value of plan investments	792,745
Total Investment Income	<u>1,169,820</u>

Total Additions 1,725,468

DEDUCTIONS:

Benefit payments 428,752

Administrative and general expenses:

Insurance, taxes and other premiums	201,294
Professional fees	42,013
Total administrative and general expenses	<u>243,307</u>

Total Deductions 672,059

CHANGE IN NET POSITION 1,053,409

**NET POSITION RESTRICTED FOR OTHER
POST EMPLOYMENT BENEFITS:**

BEGINNING OF YEAR 9,842,847

END OF YEAR \$ 10,896,256

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

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 or closely related. The City's financial reporting entity consists of the City and its component units.

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

The City of St. Peters Natatorium Foundation (the Foundation) is a not-for-profit corporation organized for the purpose of accepting contributions from the community and using the resources to fund improvements to the St. Peters Rec-Plex natatorium. The Foundation is discretely presented since the entire purpose of the Foundation is to benefit the City's natatorium; therefore, exclusion from the City's financial report would render the financial statements incomplete or misleading. 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 multi-governmental 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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

(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 9.

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

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Governmental Funds

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

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

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

Special Allocation - 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 four 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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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

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

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 position.

Fund Financial Statements

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

Basis Of Accounting

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

Revenues - Exchange And NonExchange Transactions

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

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

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

Deferred And Unearned Revenues

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 assigned fund balance to indicate that a portion of the fund balance is not available for subsequent appropriation.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 respective fund from which the employee is paid.

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 contributions since October 1, 2008, the required date of implementation. The City was not required to and 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 11. The obligation is typically liquidated by the general fund.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 position. 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 position, 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 position 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.

Governmental Fund Balances

In the governmental fund financial statements the following classifications are used to define the governmental fund balances:

Nonspendable - This consists of the governmental fund balances that are not in spendable form or legally or contractually required to be maintained intact. The City's nonspendable fund balance consists of inventory and prepaid items.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Restricted - This consists of the governmental fund balances that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. The City's restricted funds consist of various taxes approved by voters for specific purposes, capital projects, sewer lateral projects, water line repair projects, grants, police services, tourism, TIF projects, stormwater projects and debt obligations.

Committed - This consists of the governmental fund balances that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Board of Aldermen, the City's highest level of decision-making authority. The City has no committed fund balance as of September 30, 2013.

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes by a) Board of Aldermen or b) City Administrator. The City's policy is to follow the authorization guidance established by GASB 54. The City's assigned fund balance includes monies budgeted in the subsequent year, contractual obligations (encumbrances) and capital project.

Unassigned - This consists of the governmental funds that do not meet the definition of "nonspendable," "restricted," "committed," or "assigned."

General Fund Contingency Reserve Policy

During fiscal year 2013 the City utilized tools provided by the Government Finance Officers Association of the United States and Canada (GFOA) to determine the appropriate level of Contingency Reserve for the City's General Fund. The City completed the GFOA Risk Evaluation Tool, and based upon the results of the assessment; the City has determined the targeted General Fund Contingency Reserve to be two months regular, ongoing operating expenses. The Board of Alderman then adopted a resolution establishing a General Fund Contingency Reserve Policy of two months regular, ongoing operating expenses (which at the time amounted to approximately \$5,000,000). The resolution calls requires the City to create a Contingency Reserve within the General Fund. The City will transfer \$2,500,000 into the Contingency Reserve as part of the Fiscal Year 2014 budget process and the Contingency Reserve will be increased by \$500,000 in each subsequent Fiscal Year until the targeted amount of \$5,000,000 is reached. The City's additional funding of the Contingency Reserve will be incorporated into the Five Year Capital Improvement Plan adopted by the Mayor and Board of Aldermen as part of the City's long-range planning process. After the initial target of \$5,000,000 is reached, the City Administrator will reevaluate the Contingency Reserve level necessary to cover two months operating expenses in future years and incorporate the funding of the Contingency Reserve into the draft Five Year Capital Improvement Plan and draft Budget documents submitted to the Mayor and Board of Aldermen each year. It is the intent of the City to limit use of the Contingency Reserve to address unanticipated, non-recurring needs. The Contingency reserve shall not normally be applied to recurring annual operating expenditures. However, it may be used to allow time for the City to restructure its operations in a deliberate manner (as might be required in an economic downturn), but such use will only take place pursuant to an appropriation in the Annual Budget. In addition, the Contingency Reserve may be spent in the event of an emergency or a fiscal crisis for the following purposes:

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

- To correct revenue cash-flow shortfalls
- To correct unforeseen annual revenue budgetary shortfalls
- To the extent permitted by law, to make temporary or emergency operating transfers to any other City Fund
- For emergency repairs, replacements or expenditures

In the event that the Contingency Reserve is used as provided above, a plan will be developed and included in the Five Year Capital Plan adopted by the Mayor and Board of Aldermen for the years subsequent to the Contingency Reserve draw to replenish the Contingency Reserve to the targeted level.

The City Administrator is directed to submit future draft Annual Budget and Five Year Capital Improvement Plan documents that reach the goals established by this policy.

Any modifications made to this policy must be approved by the Board of Aldermen.

Net Position

In the government-wide financial statements, net position are displayed in three components as follows:

Net Investment in Capital Assets - 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 position that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

Unrestricted - This consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Use of Restricted Resources

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the City's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications-committed and then assigned fund balances before using unassigned fund balances.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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.

Adoption of New Accounting Standards

For the fiscal year ended September 30, 2013 the City adopted GASB issued Statement No. 61, "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset.

For the fiscal year ended September 30, 2013 the City adopted GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict or contradict with GASB pronouncements.

For the fiscal year ended September 30, 2013 the City adopted GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

2. DEPOSITS AND INVESTMENTS

Investment Policy

The City's Deputy Investment Officer, subject to the review of the Investment Officer, is authorized to invest excess cash in any investments authorized by the City's investment policy. The City's investment policy conforms to the investment policy guidelines set forth by the State of Missouri. The City's investment policy authorizes the City to invest in the following instruments: insured or collateralized certificates of deposit, certain collateralized repurchase agreements, direct obligations of any state in the United States and certain Missouri governmental entities (as outlined in the policy) that are rated "AAA" by Standard & Poor's Corporation and/or "Aaa" by Moody's Investor Service at the time of purchase, direct obligations of the United States of America and obligations issued or guaranteed by certain agencies of the United States of America (as outlined in the policy). As of September 30, 2013, all of the City's investments were in compliance with the City's investment policy.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2013, the City's deposit and investment balances were as follows:

<u>Deposit/Investment Type</u>	<u>Carrying Value</u>
Deposits	\$40,125,789
Money market mutual funds	<u>2,004,583</u>
	<u>\$42,130,372</u>

As of September 30, 2013, the discretely presented component unit's investment balances were as follows:

Discretely Presented Component Unit

Deposits	\$ 47
Money market funds	61,103
Stocks - domestic	450,097
Stocks - foreign	43,059
Mutual funds - domestic	431,827
Mutual funds - international	453,325
Corporate bonds	84,194
Municipal obligations	63,473
Fixed income mutual funds (domestic)	319,463
Fixed income mutual funds (international)	<u>112,990</u>
	<u>\$ 2,019,578</u>

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Fiduciary Trust Investments

Money market mutual funds	\$ 47,972
Exchange traded funds - domestic	2,595,445
Mutual funds - domestic	2,773,971
Common stock - foreign	76,540
Exchange traded funds - foreign	629,485
Mutual funds - international	555,284
Fixed income investments - credit	772,201
Fixed income investments - diversified taxable mutual funds	2,532,477
Fixed income investments - emerging markets	93,954
Hedge funds	445,421
Infrastructure	114,042
Traded real estate	156,951
Commodities	145,080
	<u>\$ 10,938,823</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, 2013, the City had the following investments and maturities:

<u>Investment</u>	<u>Carrying Value</u>	<u>Investment Maturities (In Years)</u>	
		<u>Less than 1</u>	<u>1 - 5</u>
City:			
Money market mutual funds	\$ 2,004,583	\$ 2,004,583	\$ -
	<u>\$ 2,004,583</u>	<u>\$ 2,004,583</u>	<u>\$ -</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

Notes to Basic Financial Statements (continued)

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.

Investment 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
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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, 2013, the City's investments were not subject to concentration of credit risk.

Custodial Credit Risk

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

For deposits, custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to it. Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution, by surety company bonds or by a single collateral pool established by the financial institution.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2013, the Trust had the following investments and maturities:

Investment Type	Carrying Value	Investment Maturities (In Years)		
		Not Applicable	Less Than 1	1 - 5
Fiduciary Trust:				
Money Market Mutual Funds	\$ 47,972	\$ -	\$ 47,972	\$ -
Common Stock - Foreign	76,540	76,540	-	-
Exchange Traded Funds - Domestic	2,595,445	2,595,445	-	-
Exchange Traded Funds - Foreign	629,485	629,485	-	-
Mutual Funds:				
Domestic	2,773,971	2,773,971	-	-
International	555,284	555,284	-	-
Fixed Income - Diversified Taxable	2,532,477	-	2,532,477	-
Fixed Income Investments - Credit	772,201	-	772,201	-
Fixed Income Investments - Emerging Markets	93,954	-	93,954	-
Hedge Funds	445,421	445,421	-	-
Infrastructure	114,042	114,042	-	-
Traded Real Estate	156,951	156,951	-	-
Commodities	145,080	145,080	-	-
	\$ 10,938,823	\$ 7,492,219	\$ 3,446,604	\$ -

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.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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	Fixed Income Mutual Funds	Fixed Income Investments - Emerging Markets	Fixed Income - Credit	Unrated
AAA	\$ 47,972	\$ -	\$ -	\$ -	\$ -
A	-	2,053,273	-	294,258	-
A+	-	479,204	-	477,943	-
BB	-	-	50,041	-	-
BBB+	-	-	43,913	-	-
Unrated	-	-	-	-	7,492,219
	<u>\$ 47,972</u>	<u>\$ 2,532,477</u>	<u>\$ 93,954</u>	<u>\$ 772,201</u>	<u>\$ 7,492,219</u>

Concentration of Investment 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.

Concentration of credit risk is required to be disclosed by the City for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). At September 30, 2013, the City had the following concentrations of credit risk:

Description	Carrying Value	Percentage of Total Investments
Exchange traded funds - domestic	\$ 2,595,445	51.1%
Exchange traded funds - foreign	629,485	12.4%
Fixed income investments - credit	772,201	15.2%
Hedge funds	445,421	8.8%

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 \$.601 is for general revenue purposes and \$.169 for the payment of principal and interest on general obligation bonds. Taxes 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, 2013:

	Balance October 1, 2012	Additions and transfers	Retirements and transfers	Balance September 30, 2013
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 153,152,346	\$ 1,163,076	\$ -	\$ 154,315,422
Construction in progress	7,500,791	1,130,395	2,923,021	5,708,165
Total capital assets not being depreciated	160,653,137	2,293,471	2,923,021	160,023,587
Capital assets, being depreciated:				
Structures and improvements	53,021,906	963,793	112,673	53,873,026
Machinery and equipment	18,610,859	1,348,652	798,965	19,160,546
Furniture and fixtures	1,558,319	27,901	8,802	1,577,418
Vehicles	6,412,134	445,142	936,382	5,920,894
Infrastructure	230,234,744	5,449,679	1,348,011	234,336,412
Total capital assets being depreciated	309,837,962	8,235,167	3,204,833	314,868,296
Less - accumulated depreciation for:				
Structures and improvements	18,351,683	1,819,968	96,833	20,074,818
Machinery and equipment	15,853,496	1,226,910	798,847	16,281,559
Furniture and fixtures	1,280,874	54,133	8,802	1,326,205
Vehicles	5,030,328	571,852	922,209	4,679,971
Infrastructure	109,154,450	7,664,546	1,295,941	115,523,055
Total accumulated depreciation	149,670,831	11,337,409	3,122,632	157,885,608
Total capital assets being depreciated, net	160,167,131	(3,102,242)	82,201	156,982,688
Governmental activities, capital assets, net	\$ 320,820,268	\$ (808,771)	\$ 3,005,222	\$ 317,006,275

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	Balance October 1, 2012	Additions and transfers	Retirements and transfers	Balance September 30, 2013
Business-Type Activities:				
Waterworks/Sanitary Sewer:				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,289,356	\$ -	\$ -	\$ 1,289,356
Construction in progress	555,089	72,161	555,089	72,161
Total capital assets not being depreciated	1,844,445	72,161	555,089	1,361,517
Capital assets, being depreciated:				
Structures and improvements	57,585,521	440,394	98,097	57,927,818
Water lines	23,940,481	896,487	-	24,836,968
Sewer lines	21,560,410	327,353	5,570	21,882,193
Machinery, equipment and vehicles	6,761,980	135,535	1,650,675	5,246,840
Furniture, fixtures and other assets	24,195	-	-	24,195
Total capital assets being depreciated	109,872,587	1,799,769	1,754,342	109,918,014
Less: Accumulated depreciation for:				
Structures and improvements	28,732,197	1,335,007	80,374	29,986,830
Water lines	7,388,974	497,335	-	7,886,309
Sewer lines	7,297,050	447,560	223	7,744,387
Machinery, equipment and vehicles	5,582,796	504,616	1,452,721	4,634,691
Furniture, fixtures and other assets	23,037	607	-	23,644
Total accumulated depreciation	49,024,054	2,785,125	1,533,318	50,275,861
Total capital assets being depreciated, net	60,848,533	(985,356)	221,024	59,642,153
Waterworks/sanitary sewer capital assets, net	\$ 62,692,978	\$ (913,195)	\$ 776,113	\$ 61,003,670
Solid Waste:				
Capital assets, not being depreciated:				
Land and land rights	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Structures and improvements	710,634	-	-	710,634
Machinery and equipment	2,329,648	49,838	24,413	2,355,073
Vehicles	5,445,876	894,556	988,954	5,351,478
Total capital assets being depreciated	8,486,158	944,394	1,013,367	8,417,185
Less: Accumulated depreciation for:				
Structures and improvements	538,380	22,675	-	561,055
Machinery and equipment	2,135,080	83,913	24,413	2,194,580
Vehicles	4,333,694	502,506	988,954	3,847,246
Total accumulated depreciation	7,007,154	609,094	1,013,367	6,602,881
Total capital assets being depreciated, net	1,479,004	335,300	-	1,814,304
Solid waste capital assets, net	\$ 1,479,004	\$ 335,300	\$ -	\$ 1,814,304

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	Balance October 1, 2012	Additions and transfers	Retirements and transfers	Balance September 30, 2013
Business-Type Activities (continued):				
Central Materials Processing Facility:				
Capital assets, not being depreciated:				
Land and land rights	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Structures and improvements	4,557,598	5,431	3,074	4,559,955
Machinery and equipment	1,769,864	197,022	92,403	1,874,483
Furniture and fixtures	14,761	856	511	15,106
Vehicles	202,958	-	41,050	161,908
Total capital assets being depreciated	6,545,181	203,309	137,038	6,611,452
Less: Accumulated depreciation for:				
Structures and improvements	2,478,974	164,987	3,074	2,640,887
Machinery and equipment	1,581,658	68,216	92,403	1,557,471
Furniture and fixtures	14,432	97	511	14,018
Vehicles	186,761	10,797	41,050	156,508
Total accumulated depreciation	4,261,825	244,097	137,038	4,368,884
Total capital assets being depreciated, net	2,283,356	(40,788)	-	2,242,568
Central Materials Processing Facility capital assets, net	\$ 2,283,356	\$ (40,788)	\$ -	\$ 2,242,568
Recreation:				
Capital assets, not being depreciated:				
Land and land rights	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	-	-	-	-
Capital assets, being depreciated:				
Structures and improvements	47,665,684	417,621	-	48,083,305
Machinery and equipment	2,553,022	280,078	153,448	2,679,652
Furniture and fixtures	256,568	7,860	-	264,428
Vehicles	72,140	-	-	72,140
Total capital assets being depreciated	50,547,414	705,559	153,448	51,099,525
Less: Accumulated depreciation for:				
Structures and improvements	17,944,125	1,762,798	-	19,706,923
Machinery and equipment	1,984,426	173,476	152,848	2,005,054
Furniture and fixtures	246,020	3,535	-	249,555
Vehicles	27,224	14,428	-	41,652
Total accumulated depreciation	20,201,795	1,954,237	152,848	22,003,184
Total capital assets being depreciated, net	30,345,619	(1,248,678)	600	29,096,341
Recreation capital assets, net	\$ 30,345,619	\$ (1,248,678)	\$ 600	\$ 29,096,341

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 (continued)

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

Governmental Activities:

General government	\$ 323,893
Administration	359,090
Police	999,641
Municipal court	3,624
Public works	8,235,945
Engineering	121,320
Maintenance	17,829
Health	182,082
Parks and recreation	893,061
Community relations	122,435
Community and arts	78,489

Total depreciation expense - governmental-type activities	\$ 11,337,409
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Business-Type Activities:

Waterworks/sanitary sewer	\$ 2,785,125
Solid waste	609,094
Central materials processing facilities	244,097
Recreation	1,954,237

Total depreciation expense - business-type activities	\$ 5,592,553
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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 (continued)

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, Missouri 65102 or by calling 1-800-477-4334.

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 15.2% (general) and 14.4% (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 year ended September 30, 2013 were as follows:

Annual required contribution	\$ 3,635,960
Interest on net pension obligation	13,398
Adjustment to annual required contribution	<u>(14,887)</u>
Annual pension cost	3,634,471
Actual contributions	<u>3,629,202</u>
Increase (decrease) in NPO	5,269
NPO beginning of year	<u>186,082</u>
NPO end of year	<u><u>\$ 191,351</u></u>

The obligation is typically liquidated by the respective fund from which the employee is paid.

The annual required contribution (ARC) was determined as part of the February 28, 2010 and February 28, 2011 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2013 included: (a) a rate of return on the investment of present and future assets of 7.25% per year, compounded annually, (b) projected salary increases of 3.5% 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 75% of the RP-2000 Combined Healthy Table set back 0 years for men and 0 years for women and (e) post-retirement mortality based on 105% of the 1994 Group Annuity Mortality table set back 0 years for men and 0 years for women. The inflation rate assumption is 3.5%. 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, 2010 was 27 years for the general division and 30 years for the police division. The amortization period as of February 28, 2011 was 22 years for the general division and 30 years for the police division.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Three-Year Trend Information			
Year Ended September 30,	Annual Pension Costs (APC)	Percentage of APC Contributed	Net Pension Obligation
2011	\$ 3,119,457	94.0%	\$ 186,082
2012	\$ 3,275,652	100.0%	\$ 186,082
2013	\$ 3,634,471	99.9%	\$ 191,351

Funded Status and Funding Progress

As of February 28, 2013, the most recent actuarial valuation date, the plan was 75% percent funded. The actuarial accrued liability for benefits was \$77.1 million, and the actuarial value of assets was \$57.7 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$19.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$23.7 million, and the ratio of the UAAL to the covered payroll was 82%.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 2007	\$ 7,000,000	March 2027
Series 2008	16,000,000	March 2028
Series 2010A Refunding	2,520,000	March 2021
Series 2010B Refunding	3,790,000	September 2030
Series 2011 Refunding	5,150,000	March 2016
Series 2012	4,000,000	September 2032
Neighborhood Improvement District Special Assessment Debt With Governmental Commitment:		
Series 2006	52,700	March 2016
Tax Increment Revenue:		
Series 2001	9,900,000	December 2015
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 2010A	870,000	May 2019
Series 2010B	8,805,000	May 2030
Series 2010C	1,725,000	June 2024
Series 2013 Refunding	18,540,000	May 2031
Development Notes (Premier 370 Project):		
Series 2008A	19,000,000	September 2028

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	Balance - October 1, 2012	Additions	Retirements	Balance - September 30, 2013	Current Portion
Governmental Activities:					
General Obligation Bonds:					
Series 2007	\$ 7,000,000	\$ -	\$ -	\$ 7,000,000	\$ -
Series 2008	16,000,000	-	-	16,000,000	-
Series 2010A Refunding	2,480,000	-	25,000	2,455,000	280,000
Series 2010B Refunding	3,790,000	-	-	3,790,000	-
Series 2011 Refunding	5,050,000	-	1,300,000	3,750,000	1,400,000
Series 2012	-	4,000,000	165,000	3,835,000	170,000
Neighborhood Improvement District					
Limited General Obligation Bonds:					
Series 2006	24,700	-	6,000	18,700	6,000
Annual Appropriation Bonds:					
Tax Increment Revenue Notes:					
Taxable - Series 2001	2,152,000	-	1,335,000	817,000	-
Tax-exempt - Series 2001	4,367,000	-	-	4,367,000	-
Certificates of Participation:					
Series 2006A - Refunding portion	1,945,000	-	1,945,000	-	-
Series 2010A - Refunding portion	345,000	-	55,000	290,000	50,000
Series 2010B - Build America Bonds	8,115,000	-	350,000	7,765,000	355,000
Series 2010C - Refunding portion	1,610,000	-	115,000	1,495,000	120,000
Series 2013 - Refunding	-	1,700,000	-	1,700,000	255,000
Development Notes, Series A	13,120,000	185,000	-	13,305,000	-
OPEB obligation	5,487,525	1,450,712	698,986	6,239,251	-
Net pension obligation	130,514	2,692,684	2,686,970	136,228	-
Compensated absences	1,254,034	1,977,177	1,890,829	1,340,382	1,340,382
	<u>\$ 72,870,773</u>	<u>\$ 12,005,573</u>	<u>\$ 10,572,785</u>	74,303,561	<u>\$ 3,976,382</u>
Add: Unamortized premium				131,883	
Less: Unamortized discount and deferred amount on refunding				(756,300)	
Total Governmental Activities				<u>\$ 73,679,144</u>	
Business -Type Activities:					
Water/Sewer Revenue Bonds:					
Capital Appreciation Series 1999	\$ 2,990,000	\$ -	\$ 1,100,000	\$ 1,890,000	\$ 1,100,000
Capital Appreciation Series 2003	11,970,000	-	260,000	11,710,000	260,000
Capital Appreciation Series 2007	20,770,000	-	335,000	20,435,000	435,000
Revenue Bonds Series 2009	5,000,000	-	-	5,000,000	-
Annual Appropriation Bonds:					
Certificates of Participation:					
Series 2006A - Tax-exempt	18,975,000	-	18,975,000	-	-
Series 2013 - Refunding	-	16,840,000	-	16,840,000	905,000
OPEB obligation	2,325,052	612,289	295,014	2,642,327	-
Net pension obligation	55,568	941,787	942,232	55,123	-
Compensated absences	432,452	636,877	640,663	428,666	428,666
	<u>\$ 62,518,072</u>	<u>\$ 19,030,953</u>	<u>\$ 22,547,909</u>	59,001,116	<u>\$ 3,128,666</u>
Add: Unamortized premium				358,441	
Less: Unamortized discount and deferred amount on refunding				(939,093)	
Unaccrued capital appreciation on bonds				(11,221,206)	
Total Business-Type Activities				<u>\$ 47,199,258</u>	

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Debt Service Requirements To Maturity (Including Public Improvement Corporation)

The annual principal requirements to maturity of bonded debt outstanding as of September 30, 2013, 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	
	General Obligation and Special Assessment		Annual Appropriation		Revenue Bonds		Annual Appropriation		Service Requirements To Maturity	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 1,856,000	\$ 1,284,395	\$ 780,000	\$ 534,146	\$ 1,795,000	\$ 197,589	\$ 905,000	\$ 443,745	\$ 5,336,000	\$ 2,459,875
2015	2,081,000	1,254,811	795,000	509,920	1,930,000	197,589	715,000	636,633	5,521,000	2,598,953
2016	1,711,700	1,216,226	825,000	483,543	1,985,000	195,339	735,000	617,900	5,256,700	2,513,008
2017	1,765,000	1,164,469	850,000	453,400	2,035,000	191,589	760,000	588,873	5,410,000	2,398,331
2018	1,820,000	1,102,609	880,000	419,236	2,090,000	186,339	790,000	558,895	5,580,000	2,267,079
2019-2023	11,250,000	4,407,946	3,210,000	1,619,540	10,945,000	785,819	4,060,000	2,346,176	29,465,000	9,159,481
2024-2028	14,570,000	1,853,990	2,730,000	862,313	10,850,000	415,425	5,210,000	1,487,878	33,360,000	4,619,606
2029-2032	1,795,000	101,511	1,180,000	111,250	7,405,000	23,320	3,665,000	336,935	14,045,000	573,016
	\$ 36,848,700	\$ 12,385,957	\$ 11,250,000	\$ 4,993,348	\$ 39,035,000	\$ 2,193,009	\$ 16,840,000	\$ 7,017,035	\$ 103,973,700	\$ 26,589,349

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 position, were issued to finance various capital projects. \$2,157,146 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 4.50% and mature through 2032.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2015.

Revenue Bonds

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 7. 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 up to 35% of the amount of each 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 2010C Certificates is to refund \$1,765,000 principal amount of outstanding PIC Leasehold Revenue Bonds, Series 2003. The Series 2010C Certificates are non-taxable, bear interest at rates ranging from 2.00% to 3.75% and mature September 2024.

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.

During fiscal year 2013, the City issued \$18,540,000 Series 2013 Refunding Certificates of Participation to refund \$20,045,000 aggregate principal amount of the outstanding Series 2006A. The Certificates bear interest at rates ranging from 2.0% to 4.6%.

The City used the Series 2013 net proceeds along with other resources to purchase U.S. government securities to provide for all future debt service on the refunded portion of the Series 2006A Certificates of Participation. This transaction was irrevocable. As a result, that portion of

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

the Series 2006A Certificates is considered defeased and the City has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$20,045,000 as of September 30, 2013 and will be called November 1, 2013.

The refunding reduced total debt service payments over the next 19 years by approximately \$1.5 million. This results in an economic gain (difference between the present values of the debt services payments on the old and new debt) of \$585,093.

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, 2013, the City has issued \$15,945,000 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 are payable from pledged revenues, as defined in the agreement. Upon substantial completion of the Public Improvements, the Developer will dedicate and convey to the City, along with all necessary easements and rights of way.

Legal Debt Margin

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

Assessed valuation - 2012 tax year	<u>\$1,038,065,625</u>
Debt limit - 10% of assessed valuation	<u>103,806,563</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	36,848,700
Less: Amount available in debt service fund	<u>(2,157,146)</u>
Bond indebtedness applicable to debt limit	<u>34,691,554</u>
Legal debt margin	<u>\$ 69,115,009</u>

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

7. ENTERPRISE FUNDS DEBT REQUIREMENTS

Cash and cash equivalents and investments restricted at September 30, 2013 are as follows:

Revenue Fund	\$ 129,832
Series 1999 Waterworks and Sewage Bond Debt Service Fund	458,333
Series 2003 Waterworks and Sewage Bond Debt Service Fund	130,000
Series 2007 Waterworks and Sewage Bond Debt Service Fund	217,500
Series 2009 Waterworks and Sewage Bond Debt Service Fund	98,795
Depreciation Fund	225,000
Interest Reserve Fund	500,000
	<u>\$ 1,759,460</u>

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 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.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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.

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.

As of September 30, 2013, the City met all related debt reserve requirements.

8. INTERFUND BALANCES AND TRANSFERS

The following represents a reconciliation of transfers between individual funds for the fiscal year ended September 30, 2013:

	Transfers From	Transfers To	Net Transfers
Major Governmental Funds:			
General	\$ 1,080,292	\$ 1,280,379	\$ 200,087
Debt Service	-	824,670	824,670
Nonmajor Governmental Funds:			
Local Parks and Stormwater	934,647	-	(934,647)
Major Enterprise Funds:			
Solid Waste	1,161,761	-	(1,161,761)
Recreation	40,641	1,112,292	1,071,651
	<u>\$ 3,217,341</u>	<u>\$ 3,217,341</u>	<u>\$ -</u>

Interfund transfer of \$40,641 was made to the General Fund from the Recreation Fund to reflect the unused portion of a prior transfer from General Fund to Recreation Fund to pay for a Senior Center Improvement Project

Interfund transfer of \$77,977 was made to the General Fund from the Local Parks and Storm Water Fund to pay for the repair and maintenance of trails.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Interfund transfer of \$1,161,761 was made to the General Fund from the Solid Waste Fund for reimbursement of legal fees.

Interfund transfer of \$468,000 was made to the Debt Service Fund from the General Fund for debt payments.

Interfund transfer of \$356,670 was made to the Debt Service Fund from the Local Parks and Storm Water Fund for debt obligations.

Interfund transfer of \$500,000 was made to the Recreation Fund from the Local Parks and Storm Water Fund for operating support.

Interfund transfer of \$458,581 was made to the Recreation Fund from the General Fund for the refunding of Certificate of Participation bonds.

Interfund transfer of \$153,711 was made to the Recreation Fund from the General Fund for tourism activities.

Individual fund interfund receivable and payable balances as of September 30, 2013 are as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Major Governmental Funds:		
General	\$ 350,398	\$ -
Transportation Trust	-	16,674
Nonmajor Governmental Funds:		
Special Allocation Fund - Lakeside Redevelopment	-	10,220
Community Development Block Grant - Subrecipient	-	18,994
Sewer Lateral Repair Program	-	109
Local Parks and Stormwater	-	1,847
Major Enterprise Funds:		
Waterworks/Sanitary Sewer	-	196,869
Solid Waste	-	66,663
Central Materials Processing Facility	-	4,550
Recreation	-	34,472
	<u>\$ 350,398</u>	<u>\$ 350,398</u>

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Interfund payables at September 30, 2013 include \$34,472 in the Recreation Fund, \$16,674 in the Transportation Trust Fund, \$1,847 in the Local Parks and Stormwater Fund, \$109 in the Sewer Lateral Repair Program Fund, \$66,663 in the Solid Waste Fund, \$196,869 in the Waterworks/Sanitary Sewer Fund and \$4,550 in the Central Materials Processing Facility Fund are for reimbursement to the General Fund for insurance expense.

Interfund payables of \$10,220 in the Special Allocation - Lakeside Redevelopment Fund and \$18,994 in the CDBG - Subrecipient Fund are due to the elimination of negative cash balances.

9. 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, 2013 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 2013, the City of St. Peters, Missouri purchased water from the Joint Venture and paid related pumping charges totaling \$628,875. 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 (continued)

Condensed summary of financial information for the Joint Venture as of and for its fiscal year ended September 30, 2013 is as follows:

Assets	<u>\$ 6,256,090</u>
Liabilities	\$ 641,465
Partnership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Accumulated deficit:	
St. Peters	(1,118,252)
St. Charles	<u>(2,398,253)</u>
	<u>\$ 6,256,090</u>
Operating revenue	\$ 1,745,672
Operating expenses	(1,952,535)
Nonoperating revenue	<u>125</u>
Net Loss	<u>\$ (206,738)</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.

10. 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, 2013, 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 \$1,207,436.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Changes in the self-insured claims liabilities at September 30, 2013 and 2012 were as follows:

	Workers' Compensation/ General	Medical	Total
Balance - September 30, 2011	\$ 352,334	\$ 600,000	\$ 952,334
Add: Current Year Claims And Changes in Estimate	374,658	3,753,595	4,128,253
Less: Claim Payments	412,760	3,753,595	4,166,355
Balance - September 30, 2012	314,232	600,000	914,232
Add: Current Year Claims And Changes in Estimate	813,942	3,741,796	4,555,738
Less: Claim Payments	520,738	3,741,796	4,262,534
Balance - September 30, 2013	<u>\$ 607,436</u>	<u>\$ 600,000</u>	<u>\$ 1,207,436</u>

11. 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 October 1, 2012, the date of the latest actuarial valuation:

Active plan members	398
Retirees and beneficiaries	87
Terminated plan members entitled to but not yet receiving benefits	<u>--</u>
Total	<u>485</u>

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 2013, the City contributed \$429,000 to the Plan. Plan members receiving benefits contributed approximately \$127,000 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)	\$ 1,921,000
2. Interest on net OPEB obligation (NOO)	547,000
3. Adjustment to ARC (Amortization of NOO)	<u>(405,000)</u>
4. Annual OPEB cost (expense), (1) + (2) + (3)	2,063,000
5. Employer contributions made	<u>(994,000)</u>
6. Change in net OPEB obligation, (4) + (5)	1,069,000
7. New OPEB obligation - beginning of year	7,812,577
8. Net OPEB obligation - end of year, (6) + (7)	<u><u>\$ 8,881,577</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Fiscal Year	Annual	Percentage of Annual	
		OPEB Cost	Net OPEB
Ended	OPEB Cost	Contributed	Obligation
2011	\$ 2,497,077	17.2%	\$ 5,765,792
2012	\$ 2,475,785	17.3%	\$ 7,812,577
2013	\$ 2,063,000	48.2%	\$ 8,881,577

Funded Status and Funding Progress

As of October 1, 2012, the most recent actuarial valuation date, the plan was 39.4% funded. The actuarial accrual liability for benefits was \$25.2 million, and the actuarial value of assets was \$9.9 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$15.3 million. For the year ended September 30, 2013, the covered payroll (annual payroll of active employees covered by the plan) was \$23.8 million, and the ratio of the UAAL to the covered payroll was 64%.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 October 1, 2012 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 9% initially, reduced by .25% each year to an ultimate rate of 5%. The health consumer price index is assumed to increase at a rate of 3% each year. Salaries include a 3.5% inflation assumption. The actuarial value of assets was set equal to the market value of assets. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2013, was 26 years.

12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in a number of 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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

13. CONDUIT DEBT

During the year ended September 30, 2010, the City authorized the issuance of \$26,500,000, Series 2010, Taxable Industrial Development Revenue Bonds to finance an industrial development project at 9 Cermak Boulevard 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 personal property included in the project. At the same time, the City leased the personal property 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, 2013, \$14,978,218 of these Taxable Industrial Revenue Bonds have been issued and remain outstanding. As part of the agreement, the Company has agreed to create and maintain quality jobs for specified periods and the City has agreed to extend tax abatements to the Company in proportion to the jobs create for the years 2011-2017.

During the year ended September 30, 2013, the City authorized the issuance of \$26,500,000, Series 2012 Taxable Industrial Development Revenue Bonds for the same company to provide funds to acquire and improve an additional facility at 1 Gerber Industrial Court and to acquire and install additional project equipment at the Company's facilities in the City. Under the Series 2012 Bonds, the Company acquired and constructed real and personal properly improvements. The company conveyed to the City title to the site and the personal property included in the project. At the same time, the City leased the project site, improvements, there on and the personal property back to the Company pursuant to a lease agreement. At September 30, 2013, \$10,189,141 of these Taxable Industrial Revenue Bonds have been issued and remain outstanding.

Subsequent to September 30, 2013, the City increased the maximum amount of the 2012 Series Bonds to \$38,500,000 to provide funds to acquire and improve an additional facility located at 13-15 Arrowhead Industrial Boulevard and to acquire and install additional project equipment at the Company's facilities in the City. Approximately \$12,000,000 has been issued and remains outstanding.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

14. ENCUMBRANCES

The following encumbrances were outstanding as of September 30, 2013:

Fund	Amount
Major Governmental Funds:	
General	\$ 334,787
Transportation Trust	1,081,936
Capital Projects	787,040
	<u>2,203,763</u>
Nonmajor Governmental Funds	<u>909,121</u>
Major Enterprise Funds:	
Waterworks/Sanitary Sewer	379,193
Solid Waste	295,936
Central Materials Processing Facility	1,255
Recreation	26,340
	<u>702,724</u>
Total	<u><u>\$ 3,815,608</u></u>

15. REQUIRED REPORTING ON COURT REVENUES

House Bill 103 amending Section 302.3421.2 RSMo that became effective on August 28, 2013, requires a calculation of the percent of annual general operating revenue from fines and court costs for traffic violations in comparison to the annual general operating revenue of the City. The City does not account for the fines and court costs for traffic violations separately from the total police fines and court costs. Therefore, the City cannot provide the percent related specifically to traffic violations for the fiscal year ending September 30, 2013. Total police fines and court costs revenues for the fiscal year, which include fines and court costs related to traffic violations, totaled to \$2,366,601. The City's operating revenue less revenue for fines and forfeitures equals \$29,789,864. The City's revenue from fines and forfeitures is 7.4% of the City's total general fund annual operating revenue, which is substantially below the 30% threshold requirement of the amended statute.

16. 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 April, 2012, the GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities." The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). This Statement also provides other financial reporting guidance related to the impact of the

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. The requirements in this Statement are effective for periods beginning after December 15, 2012.

In March, 2012, the GASB issued Statement No. 66, “Technical Correction – 2012 – an amendment of GASB Statements No. 10 and No. 62.” The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54 and No. 62. The requirements in this Statement are effective for periods beginning after December 15, 2012.

In June 2012, the GASB issued Statement No. 67 “Financial Reporting for Pension Plans” and Statement No. 68 “Accounting and Reporting for Pensions.” The objective of these statements is to revise existing accounting and financial reporting requirements for most pension plans, and to revise and establish new financial reporting requirements for most governments that provide their employees with pension benefits. The requirements in Statement No. 67 are effective for periods beginning after June 15, 2013, and the requirements in Statement No. 68 are effective for periods beginning after June 15, 2014.

In January 2013, the GASB issued Statement No. 69 “Government Combinations and Disposals of Government Operations.” The objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements in Statement No. 69 are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis.

In April 2013, the GASB issued Statement No. 70 “Accounting and Financial Reporting for Nonexchange Financial Guarantees.” The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The requirements in Statement No. 70 are effective for periods beginning after June 15, 2013.

In November 2013, the GASB issued Statement No. 71 “Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68.” This Statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The requirements in this Statement are effective simultaneously with the requirements of Statement No. 68 which is effective for periods beginning after June 15, 2014.

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 FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget	Actual	
Revenues:				
Sales tax	\$ 12,906,000	\$ 12,906,000	\$ 12,600,822	\$ (305,178)
Property tax	6,823,300	6,823,300	6,983,760	160,460
Utility franchise tax	4,100,360	4,100,360	4,197,144	96,784
Cigarette tax	229,500	229,500	189,148	(40,352)
Licenses and permits	1,052,900	1,052,900	1,241,499	188,599
Interest	25,000	25,000	855	(24,145)
Intergovernmental	3,355,200	3,368,700	3,434,301	65,601
Fines and forfeitures	2,611,500	2,611,500	2,366,601	(244,899)
Charges for services	624,800	624,800	684,309	59,509
Miscellaneous	248,600	370,100	591,923	221,823
Total Revenues	31,977,160	32,112,160	32,290,362	178,202
Expenditures:				
General government	1,576,020	1,576,020	1,559,873	16,147
Administration	4,116,560	4,116,560	3,704,078	412,482
Police	12,053,100	12,053,100	11,665,179	387,921
Municipal court	443,360	443,360	414,265	29,095
Public works	2,658,000	1,977,000	1,860,939	116,061
Engineering	2,217,300	2,217,300	2,079,400	137,900
Maintenance	362,475	362,475	285,037	77,438
Health	628,910	628,910	556,075	72,835
Parks and recreation	5,575,010	5,635,010	5,308,850	326,160
Community relations	950,700	950,700	850,492	100,208
Community and arts	186,260	186,260	185,330	930
Capital outlay	813,455	982,448	810,272	172,176
Debt service:				
Principal	300,000	300,000	300,000	-
Interest and fiscal charges	83,000	83,000	82,435	565
Other	2,000	2,000	-	2,000
Total Expenditures	31,966,150	31,514,143	29,662,225	1,851,918
Revenues Over Expenditures	11,010	598,017	2,628,137	2,030,120
Other Financing Sources (Uses):				
Transfers in	-	1,354,302	1,280,379	(73,923)
Transfers out	(963,900)	(1,076,281)	(1,080,292)	(4,011)
Proceeds from sale of capital assets	-	-	34,680	34,680
Issuance of debt	-	-	1,700,000	1,700,000
Payment to refunding escrow agent	-	-	(1,700,000)	(1,700,000)
Total Other Financing Sources (Uses)	(963,900)	278,021	234,767	(43,254)
Net Changes in Fund Balance	(952,890)	876,038	2,862,904	1,986,866
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	3,241,774	3,241,774	3,241,774	-
Transfer from (to) reserved	-	256,693	20,432	(236,261)
End of year	2,288,884	4,374,505	6,125,110	1,750,605
Reserved:				
Beginning of year	1,332,528	1,332,528	1,332,528	-
Transfer from (to) unreserved	-	(256,693)	(20,432)	236,261
End of Year	1,332,528	1,075,835	1,312,096	236,261
Budget basis, end of year	\$ 3,621,412	\$ 5,450,340	7,437,206	\$ 1,986,866
Encumbrances, end of year			334,787	
Property tax - deferred revenue, end of year			(265,422)	
GAAP basis, end of year			\$ 7,506,571	

CITY OF ST. PETERS, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION
BUDGET BASIS - TRANSPORTATION TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised Final Budget</u>		
Revenues:				
Sales tax	\$ 6,453,000	\$ 6,453,000	\$ 6,300,411	\$ (152,589)
Interest	2,000	2,000	705	(1,295)
Intergovernmental	149,000	1,711,480	957,452	(754,028)
Miscellaneous	10,000	50,000	96,159	46,159
Total Revenues	6,614,000	8,216,480	7,354,727	(861,753)
Expenditures:				
Public works	3,996,620	4,020,120	3,486,527	533,593
Street construction	1,624,900	3,617,900	2,340,670	1,277,230
Debt service	775,000	775,000	775,459	(459)
Total Expenditures	6,396,520	8,413,020	6,602,656	1,810,364
Net Changes In Fund Balances	217,480	(196,540)	752,071	948,611
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	5,481,921	5,481,921	5,481,921	-
Transfer from (to) reserved	-	-	-	-
End of year	<u>5,699,401</u>	<u>5,285,381</u>	<u>6,233,992</u>	<u>948,611</u>
Reserved:				
Beginning of year	628,623	628,623	628,623	-
Transfer from (to) reserved	-	-	-	-
End of year	<u>628,623</u>	<u>628,623</u>	<u>628,623</u>	-
Budget basis, end of year	<u>\$ 6,328,024</u>	<u>\$ 5,914,004</u>	6,862,615	<u>\$ 948,611</u>
Budget basis grant revenue			(445,975)	
Encumbrances, end of year			<u>1,081,936</u>	
GAAP basis, end of year			<u>\$ 7,498,576</u>	

CITY OF ST. PETERS, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION
BUDGET BASIS - SPECIAL ALLOCATION FUND - CITY CENTRE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget		
Revenues:				
Sales tax	\$ 2,870,000	\$ 3,232,000	\$ 3,267,374	\$ 35,374
Property tax	2,650,000	3,120,000	3,117,032	(2,968)
Utility franchise tax	-	-	4,168	4,168
Interest	-	-	21,610	21,610
Total Revenues	5,520,000	6,352,000	6,410,184	58,184
Expenditures:				
General government	70,000	4,500,100	4,363,300	136,800
Capital outlay	200,000	110,000	41,899	68,101
Debt service	1,550,000	1,778,400	1,779,915	(1,515)
Total Expenditures	1,820,000	6,388,500	6,185,114	203,386
Net Changes In Fund Balances	3,700,000	(36,500)	225,070	261,570
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	258,016	258,016	258,016	-
Transfers from (to) reserved	(3,900,000)	(73,500)	79,462	152,962
End of year	58,016	148,016	562,548	414,532
Reserved:				
Beginning of year	1,198,918	1,198,918	1,198,918	-
Transfers from (to) reserved	3,900,000	73,500	(79,462)	(152,962)
End of year	5,098,918	1,272,418	1,119,456	(152,962)
Budget basis, end of year	<u>\$ 5,156,934</u>	<u>\$ 1,420,434</u>	1,682,004	<u>\$ 261,570</u>
Encumbrances, end of year			-	
GAAP basis, end of year			<u>\$ 1,682,004</u>	

CITY OF ST. PETERS, MISSOURI

**NOTES TO BUDGETARY COMPARISON INFORMATION
SEPTEMBER 30, 2013**

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.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Budgetary Comparison Information (continued)

- 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, 2013**

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, 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%
February 28, 2011	\$48,922,884	\$72,732,860	\$23,809,976	67%	\$23,323,653	102%
February 29, 2012	\$53,207,463	\$74,062,614	\$20,855,151	72%	\$23,041,867	91%
February 28, 2013	\$57,725,851	\$77,103,462	\$19,377,611	75%	\$23,718,651	82%

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, 2011 annual actuarial valuations. For a complete description of the actuarial assumptions used in the annual valuations, please contact the LAGERS office in Jefferson City.

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF FUNDING PROGRESS AND CONTRIBUTIONS -
OTHER POST-EMPLOYMENT BENEFIT PLAN
SEPTEMBER 30, 2013**

The following required supplementary information relates to the City's other post-employment benefits program.

Schedule of Funding Progress:

Fiscal Year	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability	(b-a)	(a/b)	(c)	((b-a)/c) UAAL as a Percentage of Covered Payroll
				Unfunded Actuarial Accrued Liability (UAAL)			
09/30/11	10/01/10	\$ 8,635,738	\$ 25,292,370	\$ 16,656,632	34.1%	\$26,747,936	62.30%
09/30/12	10/01/10	\$ 8,635,738	\$ 25,292,370	\$ 16,656,632	34.1%	\$26,991,178	61.71%
09/30/13	10/01/12	\$ 9,924,000	\$ 25,156,000	\$ 15,232,000	39.4%	\$23,825,000	63.93%

Schedule of Employer Contributions:

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2011	\$ 2,506,429	17.12%
2012	\$ 2,506,429	17.12%
2013	\$ 1,921,000	51.74%

Note: The results shown above are based on plan provisions and long-term assumptions and methods summarized in Note 11.

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.

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.

Water Service Line Repair Program Fund - Used to account for revenues received from a voter approved special property assessment used to assist in the repair of water 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 received directly from the federal government to provide assistance to low and moderate income persons.

Community Development Block Grant Subrecipient Fund - Used to account for federal grant proceeds passed through St. Charles County to provide 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, 2013**

	Sewer Lateral Repair Program Fund	Water Service Line Repair Program Fund	Special Allocation Funds		Community Development Block Grant Fund	Community Development Block Grant Sub- recipient 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	1,186,099	170,798	2,355,413	390,922	-	-	483	2,893,731	6,997,446
Restricted	-	-	-	-	-	-	-	166,878	166,878
Receivables, net of allowances where applicable:									
Taxes	-	-	-	4,788	-	-	-	504,780	509,568
Intergovernmental	-	-	-	-	-	21,597	-	1,837	23,434
Other	5,471	2,052	25,662	83,767	150,319	7,500	16,420	39,302	330,493
Long-term receivables	-	-	-	-	356,446	289,073	-	-	645,519
Total Assets	\$ 1,191,570	\$ 172,850	\$ 2,381,075	\$ 479,477	\$ 506,765	\$ 318,170	\$ 16,903	\$ 3,606,528	\$ 8,673,338
Liabilities and Fund Balances:									
Liabilities:									
Accounts payable	\$ 186,574	\$ 35,269	\$ -	\$ 22,333	\$ -	\$ 10,103	\$ -	\$ 201,578	\$ 455,857
Accrued liabilities	2,632	-	-	-	-	-	-	34,780	37,412
Deposits/guarantee bonds	3,150	-	-	-	-	-	-	-	3,150
Due to other funds	109	-	-	10,220	-	18,994	-	1,847	31,170
Deferred revenue	-	-	-	-	-	-	16,195	7,500	23,695
Total Liabilities	192,465	35,269	-	32,553	-	29,097	16,195	245,705	551,284
Fund Balances:									
Restricted for:									
Sewer lateral projects	999,105	-	-	-	-	-	-	-	999,105
Special allocation projects	-	-	2,381,075	446,924	-	-	-	-	2,827,999
Grants	-	-	-	-	506,765	289,073	-	-	795,838
Debt service	-	-	-	-	-	-	708	166,878	167,586
Local parks and stormwater	-	-	-	-	-	-	-	3,193,945	3,193,945
Water line repair projects	-	137,581	-	-	-	-	-	-	137,581
Total Fund Balances	999,105	137,581	2,381,075	446,924	506,765	289,073	708	3,360,823	8,122,054
Total Liabilities and Fund Balances	\$ 1,191,570	\$ 172,850	\$ 2,381,075	\$ 479,477	\$ 506,765	\$ 318,170	\$ 16,903	\$ 3,606,528	\$ 8,673,338

CITY OF ST. PETERS, MISSOURI

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Sewer Lateral Repair Program Fund	Water Service Line Repair Program Fund	Special Allocation Funds		Community Development Block Grant Fund	Community Development Block Grant Sub- recipient Fund	Neighborhood Improvement District Fund	Local Parks and Stormwater Fund	Total
			Old Town	Lakeside Redevelop- ment					
Revenues:									
Sales tax	\$ -	\$ -	\$ 860,268	\$ 74	\$ -	\$ -	\$ -	\$ 4,420,066	\$ 5,280,408
Property tax	-	-	651,718	178,925	-	-	-	-	830,643
Interest	124	38	8,866	36	-	-	-	244	9,308
Intergovernmental	-	-	-	-	11,067	195,298	-	7,126	213,491
Charges for services	546,020	223,764	-	-	-	-	-	-	769,784
Miscellaneous	-	-	-	-	-	-	6,976	67,058	74,034
Total Revenues	546,144	223,802	1,520,852	179,035	11,067	195,298	6,976	4,494,494	7,177,668
Expenditures:									
General government	-	-	234,261	3,051	165,462	41,020	-	-	443,794
Public works	639,814	86,221	35,910	-	-	-	-	1,113,087	1,875,032
Parks and recreation	-	-	-	-	-	-	-	19,329	19,329
Capital outlay	-	-	-	34,171	-	-	-	925,911	960,082
Debt service:									
Principal retirement	-	-	-	-	-	-	6,000	115,000	121,000
Interest	-	-	-	1,952	-	-	1,020	47,765	50,737
Other	-	-	-	-	-	-	340	1,150	1,490
Total Expenditures	639,814	86,221	270,171	39,174	165,462	41,020	7,360	2,222,242	3,471,464
Revenues (Under) Over Expenditures	(93,670)	137,581	1,250,681	139,861	(154,395)	154,278	(384)	2,272,252	3,706,204
Other Financing Uses:									
Transfers out	-	-	-	-	-	-	-	(934,647)	(934,647)
Net Changes In Fund Balances	(93,670)	137,581	1,250,681	139,861	(154,395)	154,278	(384)	1,337,605	2,771,557
Fund Balances:									
Beginning of year	1,092,775	-	1,130,394	307,063	661,160	134,795	1,092	2,023,218	5,350,497
End of year	\$ 999,105	\$ 137,581	\$ 2,381,075	\$ 446,924	\$ 506,765	\$ 289,073	\$ 708	\$ 3,360,823	\$ 8,122,054

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 3

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Sewer Lateral Repair Program Fund			Water Service Line 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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 602,000	\$ 860,268	\$ 258,268
Property tax	-	-	-	-	-	-	615,000	651,718	36,718
Interest	5,000	124	(4,876)	-	38	38	5,000	8,866	3,866
Charges for services	520,000	546,020	26,020	215,000	223,764	8,764	-	-	-
Total Revenues	525,000	546,144	21,144	215,000	223,802	8,802	1,222,000	1,520,852	298,852
Expenditures:									
General government	-	-	-	-	-	-	239,000	234,261	4,739
Public works	843,500	763,678	79,822	215,000	88,499	126,501	135,000	79,962	55,038
Total Expenditures	843,500	763,678	79,822	215,000	88,499	126,501	374,000	314,223	59,777
Net Changes in Fund Balance	(318,500)	(217,534)	100,966	-	135,303	135,303	848,000	1,206,629	358,629
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	1,063,060	1,063,060	-	-	-	-	1,129,949	1,129,949	-
Transfers from (to) reserved	-	-	-	-	-	-	(500,000)	(200,000)	300,000
End of year	744,560	845,526	100,966	-	135,303	135,303	1,477,949	2,136,578	658,629
Reserved:									
Beginning of year	-	-	-	-	-	-	-	-	-
Transfers from (to) reserved	-	-	-	-	-	-	500,000	200,000	(300,000)
End of year	-	-	-	-	-	-	500,000	200,000	(300,000)
Budget basis, end of year	<u>\$ 744,560</u>	<u>845,526</u>	<u>\$ 100,966</u>	<u>\$ -</u>	<u>135,303</u>	<u>\$ 135,303</u>	<u>\$ 1,977,949</u>	<u>2,336,578</u>	<u>\$ 358,629</u>
Budget basis grant revenue		-			-			-	
Encumbrances, end of year		153,579			2,278			44,497	
GAAP basis, end of year		<u>\$ 999,105</u>			<u>\$ 137,581</u>			<u>\$ 2,381,075</u>	

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 3

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Special Allocation Fund - Lakeside Redevelopment			Community Development Block Grant Fund			Community Development Block Grant Subrecipient 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	\$ -	\$ 74	\$ 74	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax	150,000	178,925	28,925	-	-	-	-	-	-
Interest	-	36	36	-	-	-	-	-	-
Intergovernmental	-	-	-	50,300	11,067	(39,233)	245,750	195,298	(50,452)
Total Revenues	150,000	179,035	29,035	50,300	11,067	(39,233)	245,750	195,298	(50,452)
Expenditures:									
General government	5,100	3,051	2,049	50,300	11,067	39,233	245,750	195,298	50,452
Capital outlay	16,000	779	15,221	-	-	-	-	-	-
Debt service	10,000	1,952	8,048	-	-	-	-	-	-
Total Expenditures	31,100	5,782	25,318	50,300	11,067	39,233	245,750	195,298	50,452
Revenues Over Expenditures	118,900	173,253	54,353	-	-	-	-	-	-
Other Financing Uses:									
Transfers out	(300,000)	-	300,000	-	-	-	-	-	-
Net Changes in Fund Balance	(181,100)	173,253	354,353	-	-	-	-	-	-
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	273,671	273,671	-	-	-	-	-	-	-
Transfers from (to) reserved	-	-	-	-	-	-	-	-	-
End of year	92,571	446,924	354,353	-	-	-	-	-	-
Reserved:									
Beginning of year	-	-	-	-	-	-	-	-	-
Transfers from (to) reserved	-	-	-	-	-	-	-	-	-
End of year	-	-	-	-	-	-	-	-	-
Budget basis, end of year	\$ 92,571	446,924	\$ 354,353	\$ -	-	\$ -	\$ -	-	\$ -
GAAP basis receivable		-			506,765			289,073	
Encumbrances, end of year		-			-			-	
GAAP basis, end of year		\$ 446,924			\$ 506,765			\$ 289,073	

CITY OF ST. PETERS, MISSOURI

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

Page 3 of 3

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Local Parks and Stormwater Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Sales tax	\$ 4,490,600	\$ 4,420,066	\$ (70,534)
Interest	2,000	244	(1,756)
Miscellaneous	182,000	67,058	(114,942)
Total Revenues	4,674,600	4,487,368	(187,232)
Expenditures:			
Public works	1,814,060	1,135,296	678,764
Parks and recreation	-	19,329	(19,329)
Capital outlay	2,448,450	1,388,953	1,059,497
Debt service	163,000	163,915	(915)
Total Expenditures	4,425,510	2,707,493	1,718,017
Revenues Over Expenditures	249,090	1,779,875	1,530,785
Other Financing Sources (Uses):			
Transfers in	300,000	-	(300,000)
Transfers out	(1,081,900)	(934,647)	147,253
Total Other Financing Sources (Uses)	(781,900)	(934,647)	(152,747)
Net Changes in Fund Balance	(532,810)	845,228	1,378,038
Fund Balances:			
Budget basis:			
Unreserved:			
Beginning of year	1,645,824	1,645,824	-
Transfers from (to) reserved	-	-	-
End of year	1,113,014	2,491,052	1,378,038
Reserved:			
Beginning of year	166,878	166,878	-
Transfers from (to) reserved	-	-	-
End of year	166,878	166,878	-
Budget basis, end of year	\$ 1,279,892	2,657,930	\$ 1,378,038
GAAP basis receivable		(5,874)	
Encumbrances, end of year		708,767	
GAAP basis, end of year		\$ 3,360,823	

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGET BASIS - DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Debt Service Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Property tax	\$ 1,824,500	\$ 1,854,973	\$ 30,473
Interest	10,000	1,060	(8,940)
Miscellaneous	3,000	3,244	244
Total Revenues	1,837,500	1,859,277	21,777
Expenditures:			
Debt service	2,909,750	2,814,188	95,562
Total Expenditures	2,909,750	2,814,188	95,562
Revenues Under Expenditures	(1,072,250)	(954,911)	117,339
Other Financing Sources:			
Transfers in	893,900	824,670	(69,230)
Net Changes in Fund Balance	(178,350)	(130,241)	48,109
Fund Balances:			
Budget basis:			
Unreserved:			
Beginning of year	2,373,110	2,373,110	-
Transfers from (to) reserved	-	-	-
End of year	2,194,760	2,242,869	48,109
Reserved:			
Beginning of year	-	-	-
Transfers from (to) reserved	-	-	-
End of year	-	-	-
Budget basis, end of year	<u>\$ 2,194,760</u>	<u>2,242,869</u>	<u>\$ 48,109</u>
Property tax - deferred revenue, end of year		(86,768)	
GAAP basis, end of year		<u><u>\$ 2,156,101</u></u>	

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 FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Water and sewer	\$ 9,069,800	\$ 8,843,559	\$ (226,241)
Interest	5,000	401	(4,599)
Miscellaneous	1,435,100	1,437,869	2,769
Total Revenues	10,509,900	10,281,829	(228,071)
Expenses:			
Personnel costs	4,030,590	3,740,743	289,847
Utilities	713,000	672,649	40,351
Purchased water	775,000	628,875	146,125
Wastewater treatment costs	83,500	94,999	(11,499)
Repairs and maintenance	636,750	590,850	45,900
Chemicals and supplies	403,300	312,219	91,081
Professional services	403,400	296,379	107,021
Supplies and other	263,150	179,152	83,998
Insurance	42,000	332,442	(290,442)
Gasoline and fuel	159,000	135,259	23,741
Rent	11,500	8,297	3,203
Miscellaneous	725,200	743,589	(18,389)
Total Expenses	8,246,390	7,735,453	510,937
Net Revenues Before Capital Expenditures and Debt Service and Fees	2,263,510	2,546,376	282,866
Capital Expenditures	592,230	585,665	6,565
Debt Service and Fees	1,950,000	1,893,768	56,232
Net Changes in Net Position	(278,720)	66,943	345,663
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	1,392,916	1,392,916	-
Transfers from (to) reserved	(50,000)	(50,000)	-
End of year	1,064,196	1,409,859	345,663
Reserved:			
Beginning of year	1,882,417	1,882,417	-
Transfers from (to) reserved	50,000	50,000	-
End of year	1,932,417	1,932,417	-
Budget basis, end of year	\$ 2,996,613	\$ 3,342,276	\$ 345,663

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

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -
BUDGET BASIS - ENTERPRISE FUND - SOLID WASTE FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Trash collection	\$ 3,853,200	\$ 4,037,101	\$ 183,901
Miscellaneous	131,300	195,815	64,515
Interest	26,700	289	(26,411)
Total Revenues	4,011,200	4,233,205	222,005
Expenses:			
Personnel costs	2,273,935	2,173,287	100,648
Utilities	49,000	37,301	11,699
Disposal fees	1,000,000	972,851	27,149
Repairs and maintenance	223,950	254,695	(30,745)
Capital expenditures	549,000	530,507	18,493
Chemicals and supplies	4,000	2,740	1,260
Professional services	26,180	18,080	8,100
Supplies and other	54,000	52,558	1,442
Insurance	24,000	26,157	(2,157)
Gasoline and fuel	298,000	273,849	24,151
Rent	1,600	1,420	180
Miscellaneous	635,200	650,474	(15,274)
Total Expenses	5,138,865	4,993,919	144,946
Revenues Under Expenses	(1,127,665)	(760,714)	366,951
Other Financing Sources (Uses):			
Transfers out	(1,161,761)	(1,161,761)	-
Litigation settlement	900,000	907,278	7,278
Total Other Financing Sources (Uses)	(261,761)	(254,483)	7,278
Net Changes in Net Position	(1,389,426)	(1,015,197)	374,229
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	421,108	421,108	-
Transfers from (to) reserved	1,610,500	1,853,216	242,716
End of year	642,182	1,259,127	616,945
Reserved:			
Beginning of year	2,817,581	2,817,581	-
Transfers from (to) reserved	(1,610,500)	(1,853,216)	(242,716)
End of year	1,207,081	964,365	(242,716)
Budget basis, end of year	\$ 1,849,263	\$ 2,223,492	\$ 374,229

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -
BUDGET BASIS - ENTERPRISE FUND -
CENTRAL MATERIALS PROCESSING FACILITY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Tipping fees	\$ 1,796,000	\$ 1,893,638	\$ 97,638
Recycling fees	1,488,300	1,208,826	(279,474)
Earth Centre	347,000	355,541	8,541
Interest	1,500	101	(1,399)
Miscellaneous	25,200	37,404	12,204
Total Revenues	3,658,000	3,495,510	(162,490)
Expenses:			
Personnel costs	1,720,695	1,641,829	78,866
Disposal fees	985,500	959,742	25,758
Utilities	52,000	49,694	2,306
Capital expenditures	439,000	196,061	242,939
Professional services	78,300	34,355	43,945
Repairs and maintenance	96,900	77,681	19,219
Insurance	18,000	2,426	15,574
Gasoline and fuel	43,000	41,259	1,741
Supplies and other	702,660	653,954	48,706
Total Expenses	4,136,055	3,657,001	479,054
Net Changes in Net Position	(478,055)	(161,491)	316,564
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	808,884	808,884	-
Transfers from (to) reserved	125,000	125,000	-
End of year	455,829	772,393	316,564
Reserved:			
Beginning of year	300,000	300,000	-
Transfers from (to) reserved	(125,000)	(125,000)	-
End of year	175,000	175,000	-
Budget basis, end of year	\$ 630,829	\$ 947,393	\$ 316,564

CITY OF ST. PETERS, MISSOURI

**SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL -
BUDGET BASIS - ENTERPRISE FUND - RECREATION FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Recreation	\$ 6,597,200	\$ 6,356,201	\$ (240,999)
Interest	1,100	287	(813)
Total Revenues	6,598,300	6,356,488	(241,812)
Expenses:			
Personnel costs	3,678,520	3,412,964	265,556
Utilities	928,300	886,257	42,043
Repairs and maintenance	187,500	218,725	(31,225)
Capital expenditures	210,275	147,365	62,910
Chemicals and supplies	85,400	76,377	9,023
Professional services	183,500	151,346	32,154
Supplies and other	326,970	330,378	(3,408)
Concessions	231,300	217,497	13,803
Insurance	43,000	46,249	(3,249)
Gasoline and fuel	36,000	29,329	6,671
Miscellaneous	51,900	98,905	(47,005)
Total Expenses	5,962,665	5,615,392	347,273
Net Revenues Before Debt Service and Fees	635,635	741,096	105,461
Debt Service and fees	1,903,581	1,901,758	1,823
Revenues Under Expenses	(1,267,946)	(1,160,662)	107,284
Other Financing Sources (Uses):			
Transfers in	1,112,381	1,112,292	(89)
Transfers out	(40,641)	(40,641)	-
Total Other Financing Sources (Uses)	1,071,740	1,071,651	(89)
Net Changes in Net Position	(196,206)	(89,011)	107,195
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	410,012	410,012	-
Transfers from (to) reserved	(24,979)	(21,119)	3,860
End of year	188,827	299,882	111,055
Reserved:			
Beginning of year	1,011,121	1,011,121	-
Transfers from (to) reserved	24,979	21,119	(3,860)
End of year	1,036,100	1,032,240	(3,860)
Budget basis, end of year	\$ 1,224,927	\$ 1,332,122	\$ 107,195

Statistical Section

**City of
St. Peters**

CITY OF ST. PETERS, MISSOURI

Statistical Section

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

Contents

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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.

CITY OF ST. PETERS, MISSOURI

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 38,538,859	\$ 48,650,137	\$ 241,816,941	\$ 239,665,381	\$ 220,878,960	\$ 240,140,438	\$ 258,630,627	\$ 259,323,155	\$ 262,479,439	\$ 259,697,165
Restricted for capital projects	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	2,034,833	2,847,740	1,307,849	2,436,832	8,897,412	6,100,691	7,209,265	4,331,436	4,648,531	4,012,669
Restricted for other purposes	2,169,874	-	-	-	-	-	-	12,934,040	11,327,525	14,321,977
Unrestricted	19,350,046	15,789,770	21,251,441	17,868,604	21,207,143	13,523,667	5,101,854	(6,982,701)	(7,896,119)	(4,396,314)
Total governmental activities net position	\$ 63,731,413	\$ 74,407,002	\$ 279,151,210	\$ 268,147,077	\$ 259,486,351	\$ 265,687,024	\$ 277,710,375	\$ 269,605,930	\$ 270,559,376	\$ 273,635,497
Business-type activities										
Net investment in capital assets	\$ 20,257,573	\$ 20,726,775	\$ 22,491,148	\$ 29,209,873	\$ 39,970,976	\$ 37,818,296	\$ 37,202,278	\$ 51,062,078	\$ 51,195,406	\$ 50,083,741
Restricted for capital projects	-	-	-	3,363,721	-	-	-	-	-	-
Restricted for debt service	5,290,157	5,684,152	6,990,365	9,394,406	7,233,632	3,759,580	4,041,857	3,058,197	787,071	854,833
Restricted for other purposes	-	-	-	-	-	-	-	-	-	-
Unrestricted	10,573,701	11,174,468	9,580,106	11,604,597	17,159,930	20,468,117	12,609,854	10,844,666	11,404,920	10,223,021
Total business-type activities net position	\$ 36,121,431	\$ 37,585,395	\$ 39,061,619	\$ 53,572,597	\$ 64,364,538	\$ 62,045,993	\$ 53,853,989	\$ 64,964,941	\$ 63,387,397	\$ 61,161,595
Primary government										
Net investment in capital assets	\$ 58,796,432	\$ 69,376,912	\$ 264,308,089	\$ 268,875,254	\$ 260,849,936	\$ 277,958,734	\$ 295,832,905	\$ 310,385,233	\$ 313,674,845	\$ 309,780,906
Restricted for capital projects	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	7,324,990	8,531,892	8,298,214	11,831,238	16,131,044	9,860,271	11,251,122	7,389,633	5,435,602	4,867,502
Restricted for other purposes	2,169,874	-	-	-	-	-	-	12,934,040	11,327,525	14,321,977
Unrestricted	29,923,747	26,964,238	30,831,547	29,473,201	38,367,073	33,991,784	17,711,708	3,861,965	3,508,801	5,826,707
Total primary government net position	\$ 99,852,844	\$ 111,992,397	\$ 318,212,829	\$ 321,719,674	\$ 323,850,889	\$ 327,733,017	\$ 331,564,364	\$ 334,570,871	\$ 333,946,773	\$ 334,797,092

Notes: During fiscal year 2007, the City changed the accounting for the Recreation Fund from a governmental fund to an enterprise fund. In 2006, the City started reporting its infrastructure retroactively.

Source: Basic financial statements

CITY OF ST. PETERS, MISSOURI

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 2,480,263	\$ 3,153,690	\$ 4,414,387	\$ 4,101,069	\$ 10,605,639	\$ 4,936,885	\$ 3,988,945	\$ 6,412,147	\$ 7,279,425	\$ 6,698,790
Administration	5,262,781	5,142,485	4,679,329	4,440,371	4,439,076	4,413,440	4,465,717	4,642,420	4,116,344	4,199,160
Police	8,520,256	9,106,695	9,626,373	9,814,498	10,358,838	10,758,075	11,487,848	12,883,901	12,828,392	12,986,440
Municipal court	324,357	355,325	360,009	369,667	417,285	443,602	469,464	451,384	420,486	436,179
Public works	4,771,304	6,719,849	11,304,991	17,293,048	10,321,657	11,894,996	9,721,254	22,109,038	14,559,364	15,085,756
Engineering	2,139,381	2,070,918	2,584,427	2,469,174	2,630,888	2,552,615	2,571,574	2,572,899	2,243,654	2,269,573
Maintenance	799,725	729,378	967,257	756,069	727,250	749,630	788,172	465,034	254,551	331,483
Health	591,484	577,925	582,359	581,024	709,702	602,498	615,783	731,504	764,863	755,145
Parks and Recreation	8,789,938	8,845,727	9,112,915	5,517,854	5,279,526	5,507,748	5,893,725	6,092,722	6,011,172	6,338,658
Community Relations	855,073	826,583	876,912	960,770	962,461	1,009,804	1,007,998	983,171	1,010,835	996,207
Community & Arts	310,754	290,478	256,880	268,835	277,631	280,512	290,368	243,961	265,196	263,590
Community Development	-	-	-	-	-	-	963,000	-	-	-
Interest on long term debt	1,983,033	2,148,903	2,748,833	2,117,537	2,258,848	3,536,569	3,484,084	3,321,526	3,333,056	3,247,811
Total governmental activities expenses	36,828,349	39,967,956	47,514,672	48,689,916	48,988,801	46,686,374	45,747,932	60,909,707	53,087,338	53,608,792
Business-type activities:										
Waterworks/Sanitary Sewer	7,944,078	8,136,178	8,439,318	8,782,669	9,857,448	9,625,487	11,297,498	12,069,159	12,263,810	12,231,505
Solid Waste	3,176,106	3,367,321	3,558,062	4,043,387	4,182,408	4,399,270	7,126,274	5,203,218	5,070,099	5,141,961
Public improvement corporation	1,149,042	1,156,686	1,100,309	840,568	608,613	529,810	503,638	157,303	-	-
Central Materials Processing Facility	3,142,558	3,306,561	3,381,029	3,408,096	3,411,717	3,677,814	3,932,005	3,622,194	3,797,178	3,754,701
Recreation	-	-	-	6,122,627	6,453,216	7,038,214	7,884,369	8,121,280	8,387,854	8,012,989
Total business-type activities expenses	15,411,784	15,966,746	16,478,718	23,197,347	24,513,402	25,270,595	30,743,784	29,173,154	29,518,941	29,141,156
Total primary government expenses	\$ 52,240,133	\$ 55,934,702	\$ 63,993,390	\$ 71,887,263	\$ 73,502,203	\$ 71,956,969	\$ 76,491,716	\$ 90,082,861	\$ 82,606,279	\$ 82,749,948
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,274,215	\$ 1,434,577	\$ 2,082,925	\$ 1,819,527	\$ 1,709,498	\$ 908,725	\$ 1,181,701	\$ 1,052,200	\$ 1,156,407	\$ 1,436,786
Administration	-	-	-	-	-	-	-	-	-	-
Police	1,689,862	1,595,803	2,238,900	1,768,839	2,562,532	2,930,923	2,778,995	2,817,623	2,664,576	2,642,981
Municipal court	-	-	-	-	-	-	-	-	-	-
Public works	5,440	516,937	718,062	524,412	540,181	544,287	522,200	527,210	541,192	776,759
Engineering	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-	-
Health	11,629	11,652	21,400	20,359	22,425	21,314	20,182	18,477	14,923	17,244
Parks and recreation	3,567,199	3,331,353	3,743,865	26,730	25,851	25,585	8,640	9,113	9,715	8,433
Community relations	88,480	94,279	90,591	92,471	72,887	-	-	-	-	-
Community & Arts	103,348	123,875	124,970	114,390	177,196	172,413	176,380	208,539	255,755	254,325
Operating grants and contributions	3,539,346	3,534,260	3,623,735	3,813,207	3,496,262	4,024,801	3,597,950	3,680,124	3,450,856	3,631,928
Capital grants and contributions	6,255,077	4,094,689	7,785,280	5,767,781	4,000,088	6,557,930	10,759,472	15,176,082	8,227,484	2,919,675
Total governmental activities program revenues	16,534,596	14,737,425	20,429,728	13,947,716	12,606,920	15,185,978	19,045,520	23,489,368	16,320,908	11,688,131
Business-type activities:										
Charges for services:										
Waterworks/Sanitary sewer	7,495,672	8,384,200	8,580,469	9,728,781	9,370,782	8,649,448	9,675,873	10,420,961	11,248,180	10,888,293
Solid waste	3,147,922	3,636,949	3,974,228	4,325,591	4,622,677	3,374,042	3,540,501	3,693,198	3,891,333	4,146,914
Public improvement corporation	-	-	-	844,102	819,785	849,680	555,071	-	-	-
Central materials processing facility	3,508,675	3,240,202	3,021,534	3,399,577	3,703,035	3,326,266	3,394,464	3,444,502	3,391,388	3,492,866
Recreation	-	-	-	3,656,297	4,608,748	5,147,064	5,896,515	6,092,237	6,384,230	6,356,701
Operating grants and contributions	868,789	1,293,479	1,255,040	-	-	-	-	-	-	-
Capital grants and contributions	630,212	530,759	234,097	559,515	137,719	719,510	588,320	3,659,979	1,547,224	614,710
Total business-type activities program revenues	15,651,270	17,085,589	17,065,368	22,513,863	23,262,746	22,066,010	23,650,744	27,310,877	26,462,355	25,499,484
Total primary government program revenues	\$ 32,185,866	\$ 31,823,014	\$ 37,495,096	\$ 36,461,579	\$ 35,869,666	\$ 37,251,988	\$ 42,696,264	\$ 50,800,245	\$ 42,783,263	\$ 37,187,615

Note: 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 POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Governmental activities	\$ (20,313,753)	\$ (25,230,531)	\$ (27,084,944)	\$ (34,742,200)	\$ (36,381,881)	\$ (31,500,396)	\$ (26,702,412)	\$ (37,420,339)	\$ (36,766,430)	\$ (41,920,661)
Business-type activities	239,486	1,118,843	586,650	(683,484)	(1,250,656)	(3,204,585)	(7,093,040)	(1,862,277)	(3,056,586)	(3,641,672)
Total primary government net expense	\$ (20,074,267)	\$ (24,111,688)	\$ (26,498,294)	\$ (35,425,684)	\$ (37,632,537)	\$ (34,704,981)	\$ (33,795,452)	\$ (39,282,616)	\$ (39,823,016)	\$ (45,562,333)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	\$ 5,345,877	\$ 5,444,307	\$ 5,754,221	\$ 5,972,329	\$ 6,152,614	\$ 6,392,363	\$ 5,993,141	\$ 6,705,073	\$ 6,484,144	\$ 6,983,760
Property taxes levied for debt service	2,244,013	2,277,665	2,460,820	2,563,201	2,633,533	2,636,371	2,495,335	2,137,731	2,086,067	1,854,973
Property taxes levied for tax increment financing districts	1,832,303	2,542,597	2,857,283	2,915,222	3,154,963	3,455,420	3,747,632	3,821,189	3,499,837	3,947,675
Sales taxes levied for general purposes	10,957,062	11,350,867	11,416,073	11,344,811	11,566,809	11,088,916	11,106,737	11,777,602	12,266,784	12,600,822
Sales taxes levied for transportation purposes	5,478,536	5,675,421	5,706,975	5,673,491	5,783,416	5,544,419	5,553,379	5,888,803	6,133,393	6,300,411
Sales taxes levied for Park and Storm Water purposes	1,081,465	1,120,688	1,126,750	1,120,066	1,142,294	1,094,341	1,096,321	1,164,594	1,213,515	4,420,066
Sales taxes levied for Tax increment Financing Districts	2,182,219	2,422,100	2,767,595	2,840,130	2,793,140	3,625,574	3,278,082	2,869,664	2,966,675	4,127,716
Tourism	-	-	-	-	-	-	-	-	32,224	121,487
Franchise and public service taxes	2,823,306	3,073,690	3,269,630	3,364,976	3,415,948	3,457,259	3,603,717	4,188,158	4,069,136	4,390,460
Sewer lateral repair fee	480,541	-	-	-	-	-	-	-	-	-
Earnings on investments	354,629	794,416	2,220,645	2,095,392	1,488,010	286,808	110,734	55,642	22,164	35,882
Other revenue	479,869	516,637	1,423,234	2,388,254	514,882	912,057	553,445	3,571,682	398,845	538,000
Gain (loss) on sale of security	117,714	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	237,001	-	20,328,060	66,490	-	17,541	20,981	69,326	-	103,457
Transfers	120,400	61,000	72,500	238,193	(10,924,454)	(810,000)	1,166,259	(12,933,570)	(1,452,908)	(427,927)
Total governmental activities	33,734,935	35,279,388	59,403,786	40,582,555	27,721,155	37,701,069	38,725,763	29,315,894	37,719,876	44,996,782
Business-type activities:										
Earnings on investments	207,395	406,121	759,658	1,462,516	763,109	134,044	35,355	35,074	12,824	1,188
Other revenue	-	-	-	-	-	-	-	-	-	907,278
Gain (loss) on sale of capital assets	-	-	202,416	58,019	355,034	5,964	31,940	(28,696)	13,310	79,477
Transfers	(120,400)	(61,000)	(72,500)	(238,193)	10,924,454	810,000	(1,166,259)	6,063,303	1,452,908	427,927
Total business-type activities	86,995	345,121	889,574	1,282,342	12,042,597	950,008	(1,098,964)	6,069,681	1,479,042	1,415,870
Total primary government	\$ 13,747,663	\$ 11,512,821	\$ 33,795,066	\$ 6,439,213	\$ 2,131,215	\$ 3,946,096	\$ 3,831,347	\$ (3,897,041)	\$ (624,098)	\$ 850,319
Change in Net Assets										
Governmental activities	\$ 13,421,182	\$ 10,048,857	\$ 32,318,842	\$ 5,840,355	\$ (8,660,726)	\$ 6,200,673	\$ 12,023,351	\$ (8,104,445)	\$ 953,446	\$ 3,076,121
Business-type activities	326,481	1,463,964	1,476,224	598,858	10,791,941	(2,254,577)	(8,192,004)	4,207,404	(1,577,544)	(2,225,802)
Total primary government	\$ 13,747,663	\$ 11,512,821	\$ 33,795,066	\$ 6,439,213	\$ 2,131,215	\$ 3,946,096	\$ 3,831,347	\$ (3,897,041)	\$ (624,098)	\$ 850,319

Note: 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

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved for encumbrances	\$ 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	223,172	223,173	85,286	110,267	163,783	183,839	187,529	-	-	-
Reserved for inventory/prepaid	867,637	873,131	796,763	725,590	799,721	846,257	828,933	-	-	-
Reserved for other projects	2,932,610	780,609	524,527	694,980	479,904	2,160,448	389,628	-	-	-
Unreserved	4,161,091	4,248,705	5,502,409	7,861,281	12,480,457	7,737,594	3,442,769	-	-	-
Nonspendable	-	-	-	-	-	-	-	914,407	949,553	877,270
Restricted for:										
Transportation	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Sewer lateral projects	-	-	-	-	-	-	-	-	-	-
Special allocation projects	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	545,587	545,587	87,005
Local parks and stormwater	-	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	-	227,169	226,656	230,348
Tourism	-	-	-	-	-	-	-	-	32,224	-
Assigned for:										
Encumbrances	-	-	-	-	-	-	-	384,335	404,714	334,787
Subsequent year budget	-	-	-	-	-	-	-	1,597,435	952,890	398,775
Capital projects	-	-	-	-	-	-	-	541,388	499,663	564,291
Unassigned	-	-	-	-	-	-	-	683,136	1,111,573	5,014,095
Total General Fund	\$ 8,566,690	\$ 6,591,181	\$ 11,281,174	\$ 12,605,609	\$ 16,757,538	\$ 13,273,303	\$ 6,527,717	\$ 4,893,457	\$ 4,722,860	\$ 7,506,571

CITY OF ST. PETERS, MISSOURI

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
All Other Governmental Funds										
Reserved for encumbrances	\$ 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	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	20,909	27,087	23,506	2,602	3,300	38,036	3,800	-	-	-
Reserved for long-term receivables	519,773	727,514	796,767	1,001,353	806,132	700,569	695,926	-	-	-
Reserved for other projects	2,199,874	-	-	3,276,765	-	-	-	-	-	-
Unreserved, reported in										
Special revenue funds	8,898,714	11,268,978	16,299,128	16,492,467	9,311,290	10,894,991	4,437,401	-	-	-
Debt service funds	2,034,833	2,847,740	1,307,849	2,396,237	3,458,563	3,669,646	3,197,773	-	-	-
Capital projects funds	1,637,801	22,598,170	5,907,073	280,116	20,915,453	16,635,365	10,209,589	-	-	-
Nonspendable	-	-	-	-	-	-	-	3,800	19,200	26,445
Restricted for:										
Transportation	-	-	-	-	-	-	-	7,015,173	6,125,178	6,843,476
Capital projects	-	-	-	-	-	-	-	2,028,013	225,942	-
Sewer lateral projects	-	-	-	-	-	-	-	1,285,630	1,092,775	999,105
Water line repair projects	-	-	-	-	-	-	-	-	-	137,581
Special allocation projects	-	-	-	-	-	-	-	2,050,275	1,695,473	3,390,546
Grants	-	-	-	-	-	-	-	857,750	795,955	795,838
Debt service	-	-	-	-	-	-	-	4,037,106	4,278,422	4,071,799
Local parks and stormwater	-	-	-	-	-	-	-	1,818,695	1,856,340	3,193,945
Stormwater projects	-	-	-	-	-	-	-	-	-	3,470,173
Assigned for capital projects	-	-	-	-	-	-	-	1,135,470	954,362	639,110
Total all other governmental funds	\$ 17,894,675	\$ 42,807,651	\$ 28,718,395	\$ 27,329,304	\$ 52,762,129	\$ 40,472,120	\$ 32,741,380	\$ 20,231,912	\$ 17,043,647	\$ 23,568,018

Notes: 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. GASB 54 was implemented in fiscal year 2011.

Source: Basic financial statements.

CITY OF ST. PETERS, MISSOURI

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Sales tax (1)	\$ 19,699,282	\$ 20,569,091	\$ 21,017,391	\$ 20,978,501	\$ 21,285,659	\$ 20,655,597	\$ 20,719,476	\$ 21,700,665	\$ 22,580,369	\$ 27,449,016
Property tax (2)	9,439,098	10,292,983	11,069,439	11,431,916	11,783,275	12,606,100	12,217,710	12,698,014	11,874,878	12,780,606
Utility franchise tax	2,823,306	3,073,693	3,269,630	3,364,976	3,415,948	3,457,259	3,603,717	3,972,708	3,864,326	4,201,312
Special Assessment	-	-	215,839	-	-	-	-	-	-	-
Cigarette tax	212,994	189,403	203,416	231,216	254,592	230,091	223,484	215,450	204,810	189,148
Licenses and permits	1,167,388	1,312,320	1,950,438	1,660,469	1,526,797	826,625	1,092,659	948,635	1,042,314	1,241,499
Interest	472,343	794,421	2,220,644	2,095,392	1,488,010	286,808	110,734	55,643	22,163	35,883
Intergovernmental	6,999,736	5,880,363	6,731,969	6,821,731	6,155,149	7,647,291	9,978,781	11,669,898	6,423,040	4,990,943
Fines and Forfeitures	1,572,793	1,504,269	1,985,297	1,600,896	2,298,424	2,618,034	2,521,997	2,551,634	2,391,164	2,366,601
Charges for Services	4,340,727	4,109,749	4,694,036	933,779	1,176,669	1,174,004	1,080,991	1,134,782	1,213,843	1,454,093
Miscellaneous	818,681	860,653	1,779,408	2,322,571	451,120	773,329	367,352	3,834,808	530,021	815,047
Total revenues	47,546,348	48,586,945	55,137,507	51,441,447	49,835,643	50,275,138	51,916,901	58,782,237	50,146,928	55,524,148
Expenditures										
General government	2,138,722	2,908,197	2,740,191	3,862,364	11,156,412	2,953,949	2,929,663	6,109,343	6,197,000	6,374,897
Administration	5,022,275	5,025,680	4,732,115	3,869,357	4,026,933	3,964,072	4,025,538	4,020,331	3,555,977	3,724,140
Police	8,478,745	8,989,169	9,649,419	9,407,345	9,924,110	10,309,193	10,756,677	11,062,800	11,144,650	11,658,421
Municipal court	324,432	353,214	359,395	366,373	413,865	439,981	463,630	425,757	393,393	414,265
Public works	5,794,336	6,774,954	7,560,368	8,418,877	8,074,152	8,319,193	7,879,484	8,685,647	7,083,746	7,051,909
Engineering	2,122,459	2,058,782	2,528,071	2,422,063	2,599,668	2,501,915	2,509,843	2,354,444	2,029,515	2,082,349
Maintenance	729,127	709,484	713,904	703,345	710,878	729,093	771,310	411,365	191,244	284,120
Health	536,982	561,370	557,632	555,176	681,640	588,106	586,799	517,257	552,634	556,075
Parks and Recreation	8,285,927	8,394,205	9,043,035	4,613,547	4,577,817	4,796,454	4,965,617	4,961,281	4,894,888	5,284,614
Community relations	715,660	802,542	799,077	787,641	889,931	945,554	925,874	822,657	846,632	854,999
Community & arts	222,717	212,512	180,085	187,634	198,067	200,287	212,144	161,354	182,730	185,530
Community Development	-	-	-	-	-	-	963,000	-	-	-
Capital outlay	10,169,034	5,647,963	23,657,316	12,924,502	15,656,104	27,579,699	28,937,644	23,635,682	9,429,095	6,351,740
Debt service										
Principal retirement	1,365,000	1,420,000	1,485,000	1,554,000	2,644,000	4,720,000	7,595,000	6,730,000	3,235,000	3,596,000
Interest and arbitrage rebate	2,150,748	2,130,515	2,700,280	1,992,456	2,166,782	3,284,645	3,147,203	3,323,236	2,922,142	2,283,799
Payment to escrow agent	713,108	-	-	-	-	-	141,255	-	-	-
Other	208,389	52,017	56,082	74,425	59,837	60,693	174,914	209,418	56,433	103,864
Total expenditures	48,977,661	46,040,604	66,761,970	51,739,105	63,780,196	71,392,834	76,985,595	73,628,176	52,715,079	50,806,522
Excess of revenues over (under) expenditures	(1,431,313)	2,546,341	(11,624,463)	(297,658)	(13,944,553)	(21,117,696)	(25,068,694)	(14,845,939)	(2,568,151)	4,717,626
Other Financing Sources (Uses)										
Transfers in	340,400	2,467,132	350,000	847,275	7,212,077	7,964,523	7,756,444	2,711,733	504,624	2,105,049
Transfers out	(220,000)	(2,406,132)	(277,500)	(3,491,361)	(18,136,531)	(8,774,523)	(9,455,886)	(8,775,036)	(1,504,624)	(2,014,939)
Proceeds from sale of capital assets	-	-	24,600,000	156,395	25,013,532	3,452	34,357	140,360	24,289	185,659
Issuance of debt	9,520,000	22,500,000	52,700	3,275,000	29,630,000	6,150,000	14,898,000	11,720,000	185,000	5,885,000
Payments to escrow agent	(9,363,128)	-	(22,500,000)	-	-	-	(168,207)	(5,094,651)	-	(1,700,000)
Bond premium	-	-	-	-	-	-	-	8,990	-	129,687
Bond discount	-	-	-	(60,637)	(189,771)	-	(2,472,340)	(9,185)	-	-
Total other financing sources (uses)	277,272	22,561,000	2,225,200	726,672	43,529,307	5,343,452	10,592,368	702,211	(790,711)	4,590,456
Net change in fund balances	\$ (1,154,041)	\$ 25,107,341	\$ (9,399,263)	\$ 429,014	\$ 29,584,754	\$ (15,774,244)	\$ (14,476,326)	\$ (14,143,728)	\$ (3,358,862)	\$ 9,308,082
Total expenditures	48,977,661	46,040,604	66,761,970	51,739,105	63,780,196	71,392,834	76,985,595	73,628,176	52,715,079	50,806,522
Debt service	3,515,748	3,550,515	4,185,280	3,546,456	4,810,782	8,004,645	10,742,203	10,053,236	6,157,142	5,879,799
Capital outlay	(10,169,034)	(5,647,963)	(23,657,316)	(9,640,700)	(15,656,104)	(27,579,699)	(28,937,644)	(23,635,682)	(9,429,095)	(6,351,740)
Capital expenditures from functional categories	(820,537)	(1,070,991)	(1,733,562)	-	(4,189,590)	(2,908,965)	(5,098,067)	5,707,407	(314,903)	(291,335)
Debt service as a percentage of noncapital expenditures	9.3%	9.0%	10.1%	8.4%	10.9%	19.6%	25.0%	18.0%	14.3%	13.3%

(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

**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
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%
2011	608,581,172	294,292,000	658,976	141,484,862	1,045,017,010	4,552,667,353	0.7700	22.95%
2012	595,449,460	277,465,894	583,300	141,090,290	1,014,588,944	4,429,157,148	0.7700	22.91%
2013	600,713,947	278,019,167	507,399	158,825,112	1,038,065,625	4,511,165,911	0.7700	23.01%

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

**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				
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	
2011	0.5759	0.1941	0.7700	4.5968	4.5562	5.0008	0.2041	0.2196	1.3988	
2012	0.5759	0.1941	0.7700	4.7611	4.8419	5.1352	0.2041	0.2196	1.4197	
2013	0.6010	0.1690	0.7700	4.7936	4.9849	5.1829	0.2041	0.2196	1.4430	

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
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2013			2004		
	Assessed Value	Rank	Percentage of Total Assessed Valuation(1)	Assessed Value	Rank	Percentage of Total Assessed Valuation(2)
Mid Rivers Mall LLC	\$ 19,732,460	1	1.90%	\$ -	-	-
Airwick Industries, Inc.	10,440,911	2	1.01%	12,210,589	2	1.44%
Turnberry Apartments LLC	5,521,900	3	0.53%	4,469,150	4	0.53%
94 Crossing LLC	5,189,569	4	0.50%	-	-	-
Walmart Real Estate Business Trust	4,295,294	5	0.41%	-	-	-
SSM Properties, Inc.	4,002,173	6	0.39%	-	-	-
Costco Wholesale Corp (3)	3,751,661	7	0.36%	6,604,419	3	0.78%
Grewe Limited Partnership	3,425,240	8	0.33%	2,899,070	8	0.34%
Jungs Station Association	3,395,000	9	0.33%	3,069,080	7	0.36%
79 Crossing LLC	3,251,989	10	0.31%	-	-	-
Westfield America of MO Inc.	-	-	-	19,376,960	1	2.29%
May Department Stores	-	-	-	4,036,115	5	0.48%
Wentzway Corp.	-	-	-	3,114,300	6	0.37%
JD Development of Maryland (Home Depot)	-	-	-	2,742,232	9	0.32%
Sears Roebuck and Co.	-	-	-	2,371,040	10	0.28%

Notes:

- (1) Based on calendar year 2012 assessed valuation equal to \$1,038,065,625
- (2) Based on calendar year 2003 assessed valuation equal to \$845,567,062
- (3) Located in a tax increment financing district

Source: Office of the St. Charles County Assessor

CITY OF ST. PETERS, MISSOURI

**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
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%	108	8,069	99.86%
2008	8,384	8,110	96.73%	265	8,375	99.89%
2009	8,561	8,401	98.13%	147	8,548	99.85%
2010	8,074	7,912	97.99%	135	8,047	99.67%
2011	8,099	7,937	98.00%	120	8,057	99.48%
2012	7,955	7,690	96.67%	124	7,814	98.23%
2013	7,982	7,822	98.00%	-	7,822	98.00%

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

Source: St. Charles County Collector

CITY OF ST. PETERS, MISSOURI

**SALES TAX COLLECTED
LAST TEN FISCAL YEARS**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sales Tax Collected For General Purposes	\$ 10,957,055	\$ 11,350,867	\$ 11,416,073	\$ 11,344,811	\$ 11,566,809	\$ 11,088,916	\$ 11,106,737	\$ 11,777,602	\$ 12,266,784	\$ 12,600,822
Sales Tax Collected For Transportation Purposes	5,478,535	5,675,422	5,706,975	5,673,491	5,783,416	5,544,419	5,553,379	5,888,805	6,133,395	6,300,412
Sales Tax Collected For Park and Storm Water Purposes	1,081,465	1,120,689	1,126,750	1,120,066	1,142,294	1,094,341	1,096,321	1,164,594	1,213,515	4,420,066
Total Direct Sales Tax Collected	17,517,055	18,146,978	18,249,798	18,138,368	18,492,519	17,727,676	17,756,437	18,831,001	19,613,694	23,321,300
City direct sales tax rate	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	2.00%
Sales Tax Collected For Tax Increment Financing - City Centre	1,931,266	2,007,070	2,234,173	2,421,767	2,481,415	2,630,751	2,676,608	2,561,893	2,661,219	3,267,374
Sales Tax Collected For Tax Increment Financing - Old Town	244,813	408,710	526,909	412,015	305,890	293,800	352,787	307,763	305,410	860,268
Sales Tax Collected For Tax Increment Financing - Lakeside 370	6,148	6,333	6,511	6,350	5,835	3,370	79	8	46	74
Total Tax Collected for Tax Increment Financing	\$ 2,182,227	\$ 2,422,113	\$ 2,767,593	\$ 2,840,132	\$ 2,793,140	\$ 2,927,921	\$ 3,029,474	\$ 2,869,664	\$ 2,966,675	\$ 4,127,716
Total Sales Tax Collected	\$ 19,699,282	\$ 20,569,091	\$ 21,017,391	\$ 20,978,500	\$ 21,285,659	\$ 20,655,597	\$ 20,785,911	\$ 21,700,665	\$ 22,580,369	\$ 27,449,016

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

**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
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%
2011	1.60%	1.50%	0.10%	0.125%	4.225%	7.550%
2012	1.60%	1.50%	0.10%	0.125%	4.225%	7.550%
2013	2.00%	1.50%	0.10%	0.125%	4.225%	7.950%

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

**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		
2004	\$ 28,080,000	\$ -	\$8,936,000	\$ -	\$ -	\$ 26,410,000	\$ -	\$ 13,150,000	\$ 76,576,000	\$ 1,473
2005	49,160,000	-	8,936,000	-	-	24,965,000	-	12,390,000	95,451,000	1,836
2006	25,175,000	52,700	8,936,000	-	-	23,480,000	-	11,610,000	69,253,700	1,332
2007	23,625,000	48,700	8,936,000	-	3,275,000	21,960,000	21,350,000	7,990,000	87,184,700	1,677
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	2,568
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	2,642
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	2,639
2011	35,615,000	29,700	7,299,000	13,125,000	12,980,000	42,320,000	19,580,000	-	130,948,700	2,491
2012	34,320,000	24,700	6,519,000	13,120,000	12,015,000	40,730,000	18,975,000	-	125,703,700	2,391
2013	36,830,000	18,700	5,184,000	13,305,000	11,250,000	39,035,000	16,840,000	-	122,462,700	2,329

Notes:

- (1) Total and per capita personal income are unavailable for the City.
- (2) See table 16 for population data.
- (3) Personal income information is currently unavailable.

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

CITY OF ST. PETERS, MISSOURI**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds And Special Assessment Bonds	Fund Balance Debt Service Fund	Net General Bonded Debt	Percentage of Actual Taxable Value of Property (1)	Debt Per Capita (2)
2004	\$ 28,080,000	\$ 2,034,833	\$ 26,045,167	0.72%	\$ 501
2005	49,160,000	2,847,740	46,312,260	1.26%	890.62
2006	25,227,700	1,307,849	23,919,851	0.57%	460.00
2007	23,673,700	2,396,237	21,277,463	0.49%	409.18
2008	44,349,700	3,458,563	40,891,137	0.87%	786.37
2009	41,804,700	3,669,646	38,135,054	0.79%	733.37
2010	34,859,700	3,197,773	31,661,927	0.70%	602.22
2011	35,644,700	2,710,903	32,933,797	0.72%	626.42
2012	34,344,700	2,282,878	32,061,822	0.72%	609.83
2013	36,848,700	2,156,101	34,692,599	0.77%	659.87

Notes:

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

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

CITY OF ST. PETERS, MISSOURI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2013**

Jurisdiction	Debt Outstanding	Percentage Applicable to St. Peters	Share of Debt Applicable to St. Peters
Debt repaid with property taxes:			
St. Charles County*	\$ 4,574,000	14.41%	\$ 659,113
St. Charles County Ambulance District	8,180,000	14.41%	1,178,738
Central County Fire and Rescue	5,900,000	68.10%	4,017,900
St. Charles County Community College	34,850,000	14.50%	5,053,250
St. Charles School District R-VI	26,727,412	6.60%	1,764,009
Fort Zumwalt School District R-II	137,549,907	26.58%	36,560,765
Francis Howell School District	158,485,422	19.76%	31,316,719
Other Debt:			
St. Charles County	45,810,000	14.41%	6,601,221
St. Charles Community College	1,575,000	14.50%	228,375
Central County Fire & Rescue	2,060,000	68.10%	1,402,860
St. Charles School District R-VI	853,965	6.60%	56,362
Subtotal Overlapping Debt	\$ 426,565,706		\$ 88,839,313
City's direct debt*			65,103,700
Total direct and overlapping debt			\$ 153,943,013

* 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**

	City Purposes Basic Limit	Streets And Sewer Additional Limit
Assessed Valuation	\$ 1,038,065,625	\$ 1,038,065,625
Debt Limit - 10% off assessed valuation	103,806,563	103,806,563
Amount of debt applicable to debt limit		
Total general obligation debt	36,848,700	-
Less: Amount available in debt service fund	(2,157,146)	-
Net bond indebtedness applicable to debt limit	34,691,554	-
Legal debt margin	\$ 69,115,009	\$ 103,806,563

City Purposes Basic Limit										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 84,556,706	\$ 85,814,353	\$ 96,945,477	\$ 99,854,154	\$ 108,080,317	\$ 110,303,293	\$ 104,596,961	\$ 101,458,894	\$ 101,458,894	\$ 103,806,563
Total net debt applicable to limit	26,045,167	46,312,260	23,919,851	21,277,463	40,891,137	38,135,054	31,561,927	32,949,221	32,061,822	34,691,554
Legal Debt Margin	\$ 58,511,539	\$ 39,502,093	\$ 73,025,626	\$ 78,576,691	\$ 67,189,180	\$ 72,168,239	\$ 73,035,034	\$ 68,509,673	\$ 69,397,072	\$ 69,115,009
Total net debt applicable to the limit as a % of debt limit	30.80%	53.97%	24.67%	21.31%	37.83%	34.57%	30.17%	32.48%	31.60%	33.42%
Street and Sewer Additional Limit										
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$ 84,556,706	\$ 85,814,353	\$ 96,945,477	\$ 99,854,154	\$ 108,080,317	\$ 110,303,293	\$ 104,596,961	\$ 104,501,701	\$ 101,458,894	\$ 103,806,563
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 84,556,706	\$ 85,814,353	\$ 96,945,477	\$ 99,854,154	\$ 108,080,317	\$ 110,303,293	\$ 104,596,961	\$ 104,501,701	\$ 101,458,894	\$ 103,806,563
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

**PLEGDED-REVENUE YEARS
LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenue Bonds						Special Assessment Bonds			
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2004	\$ 7,495,672	\$ (5,165,769)	\$ 2,329,903	\$ 1,390,000	\$ 182,735	1.48	\$ -	\$ -	\$ -	\$ -
2005	8,384,200	(5,329,670)	3,054,530	1,445,000	121,171	1.95	-	-	-	-
2006	8,580,469	(5,731,539)	2,848,930	1,485,000	59,596	1.84	215,839	-	-	-
2007	9,728,781	(6,093,420)	3,635,361	1,520,000	19,195	2.36	6,975	4,000	2,211	1.12
2008	9,370,782	(6,724,209)	2,646,573	1,540,000	6,700	1.71	6,975	4,000	2,195	1.13
2009	8,649,448	(6,530,682)	2,118,766	1,545,000	-	1.37	6,975	5,000	1,983	1.00
2010	9,675,873	(6,910,939)	2,764,934	1,500,000	195,942	1.63	6,975	5,000	1,748	1.03
2011	10,420,961	(7,447,829)	2,973,132	1,500,000	197,589	1.75	6,975	5,000	1,513	1.07
2012	11,248,180	(8,100,861)	3,147,319	1,590,000	198,819	1.76	6,976	5,000	1,278	1.11
2013	10,888,293	(7,919,218)	2,969,075	1,695,000	198,087	1.57	6,976	6,000	1,020	0.99

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.

CITY OF ST. PETERS, MISSOURI**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Year	Population	School Enrollment	Unemployment Rate
2004	52,000	42,392	3.00%
2005	52,000	42,713	3.10%
2006	52,000	42,639	3.00%
2007	52,000	42,480	3.10%
2008	52,000	41,906	4.20%
2009	52,000	41,494	8.00%
2010	52,575	41,405	7.90%
2011	52,575	41,010	7.10%
2012	52,575	40,739	5.70%
2013	52,575	40,841	5.20%

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

Personal income information was not available.

Sources: Population is based on the 2010 official count of the United States Bureau of Census. School enrollment was provided by the Missouri Department of Elementary and Secondary Education's website. The unemployment rate is an unofficial estimate of the Missouri Economic Research and Information Center.

CITY OF ST. PETERS, MISSOURI

**LARGEST EMPLOYERS
(BASED ON FULL-TIME EMPLOYMENT)
CURRENT AND NINE YEARS AGO
SEPTEMBER 30, 2013**

	2013			2004		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Barnes St. Peters Hospital	970	1	3.2%	612	1	1.8%
Fort Zumwalt School District R-11	709	2	2.3%	534	2	1.6%
City of St. Peters	543	3	1.8%	495	3	1.5%
Dierbergs (2 locations)	383	4	1.3%	-	-	-
Wal-mart Stores Inc.	351	5	1.2%	-	-	-
Francis Howell School District R-III	347	6	1.1%	197	7	0.6%
Shop N Save	314	7	1.0%	-	-	-
Schnucks	256	8	0.8%	201	6	0.6%
United Services Inc	240	9	0.8%	150	9	0.4%
Menards	230	10	0.8%	-	-	-
Boone Center Inc.	-	-	-	189	8	0.6%
Continental Sprayers	-	-	-	247	5	0.7%
Reckett & Benchkiser	-	-	-	400	4	1.2%
Woodbridge Foam Manufacturing	-	-	-	134	10	0.4%
	4,343		14.3%	3,159		9.5%

Note: Percentage of Total City Employment was based on the employed labor force of 30,388 for September 2013 and 33,356 for September 2004. Labor force statistics are unofficial estimates from the Missouri Economic Research and Information Center.

Source: Survey of Employers

CITY OF ST. PETERS, MISSOURI**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Function/Program</u>										
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	47.70	48.70	47.40	47.40	44.30	47.30	47.30	46.30	46.79	46.79
Police	108.70	108.70	109.00	110.00	111.50	113.20	114.50	116.20	115.50	115.50
Municipal Court	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40	6.44	6.44
Public Works	45.90	46.20	36.95	36.45	40.20	40.20	41.00	41.50	32.88	40.38
Engineering	29.00	29.00	32.00	33.00	32.70	32.00	31.70	29.50	32.22	23.02
Maintenance	9.90	9.70	8.60	9.60	9.60	9.60	9.60	9.10	9.20	8.86
Health	8.70	8.60	7.80	8.40	8.90	8.15	8.15	8.30	8.88	8.58
Parks and Recreation	137.10	137.10	136.40	58.40	65.20	66.20	66.10	70.00	69.68	70.40
Communications	9.00	9.00	9.00	9.00	9.00	9.70	9.70	9.70	10.70	9.63
Community & Arts	4.80	4.80	3.80	3.80	2.40	2.40	2.40	2.40	2.44	2.44
Business-Type Activities:										
Waterworks/Sanitary Sewer	41.90	42.40	42.40	43.50	46.40	46.90	47.20	47.90	46.80	46.80
Solid Waste	23.80	24.10	24.60	26.70	26.60	26.85	27.20	27.50	26.05	26.55
Central Materials Processing Facility	24.60	27.50	27.30	24.30	25.20	25.45	25.50	25.10	24.61	24.61
Recreation	-	-	-	78.40	80.10	80.80	90.40	106.00	105.45	105.45
Total	504.40	509.10	498.55	502.25	515.40	522.05	534.05	552.80	545.54	543.35

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

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Functions/Program										
Governmental Activities:										
Administration										
Citizen Concerns Received	1,129	988	964	1,226	1,189	784	802	302	262	350
No. of Concerns Responses within 72 hours	99%	98%	99%	98%	98%	99%	99%	100%	100%	100%
Police										
Average number of physical arrests per month	336	223	228	240	291	264	285	260	274	189
Average number of calls for service per month	3,465	2,342	2,407	2,608	3,570	2,404	2,543	2,682	2,700	2,639
Citizen Concerns Received	265	363	326	379	316	256	230	307	296	217
No. of Concerns Responses with 72 hours	96%	99%	96%	97%	93%	96%	100%	100%	100%	99%
Municipal court										
Average Number of Court Sessions per year	32	32	32	33	32	32	32	34	35	34
No. of tickets processed	17,229	17,727	19,019	15,410	24,438	25,783	26,244	22,999	22,783	22,911
Public Works										
Slab Replacement (Square Yards)	22,667	16,123	19,230	32,400	38,732	21,439	123,765	39,917	5,460	5,200
Asphalt overlay (Miles)	4.3	6.3	7.8	6.7	5.3	9.0	6.9	7.0	6.0	8.6
Curb Replacement (Lineal Feet)	12,251	8,917	13,145	15,705	30,413	20,747	19,550	17,607	8,891	7,500
Crackseal (Lineal Feet)	69,807	43,402	56,684	51,677	25,357	82,697	105,347	75,000	90,744	131,250
Sidewalk (Square Feet)	4,720	7,735	10,335	25,348	15,130	12,910	13,420	13,125	3,671	7,755
Citizen Concerns Received	945	651	648	719	949	775	909	1,145	649	749
No. of Concerns Responses with 72 hours	98%	94%	96%	97%	98%	91%	94%	97%	99%	97%
Engineering										
New Commercial Construction Unit Permits Issued	65	13	24	35	24	8	11	7	19	11
Value of New Commercial Construction Units	\$ 39,599,803	\$ 15,856,038	\$ 62,397,912	\$ 78,167,652	\$ 38,550,900	\$ 11,630,703	\$ 13,238,381	\$ 7,200,340	\$ 23,038,108	\$ 15,211,039
New Residential Construction Unit Permits Issued	289	302	271	232	217	261	309	347	238	526
Value of New Residential Construction Units	\$ 38,197,045	\$ 29,516,271	\$ 33,189,993	\$ 25,380,724	\$ 24,780,106	\$ 29,580,527	\$ 33,073,423	\$ 33,762,198	\$ 33,809,533	\$ 70,304,798
Citizen Concerns Received	1,191	1,004	973	1031	1042	910	1,034	1,103	1,007	1,203
No. of Concerns Responses with 72 hours	96%	96%	95%	98%	98%	98%	98%	98%	96%	97%
Health										
Citizen Concerns Received	133	168	168	219	173	186	188	132	129	203
No. of Concerns Responses with 72 hours	98%	99%	99%	100%	99%	100%	100%	100%	100%	99%
Animal Control										
Citizen Concerns Received	75	62	36	32	42	60	46	61	66	59
No. of Concerns Responses with 72 hours	97%	100%	97%	100%	100%	98%	100%	100%	100%	99%
Parks and Recreation										
REC-PLEX Annual Passes	2,017	2,070	2,191	2,066	2,619	2,784	3,201	3,335	3,413	3,324
Citizen Concerns Received	162	166	159	186	201	165	181	195	201	199
No. of Concerns Responses with 72 hours	100%	100%	100%	100%	100%	100%	100%	99%	100%	99%
Business-type activities:										
Waterworks/Sanitary Sewer										
Number of water service connections	15,955	16,430	17,718	16,768	17,458	17,790	17,803	17,994	18,233	18,534
Daily average water consumption in gallons	5,010,000	5,200,000	5,998,000	5,365,233	5,250,000	5,276,983	5,083,645	5,278,322	5,590,995	5,560,000
Number of sanitary sewer service connections	17,294	17,563	17,718	17,913	18,078	18,211	18,427	18,607	18,603	18,998
Daily average sanitary sewer treatment in gallons	5,930,000	5,930,000	6,239,000	6,227,156	6,990,000	7,600,000	5,490,918	5,290,000	4,970,000	5,370,000
Citizen Concerns Received	1,084	1,239	909	1,049	1,225	944	1,019	1,152	853	1,084
No. of Concerns Responses with 72 hours	100%	100%	100%	100%	100%	100%	100%	99%	100%	99%
Solid Waste										
Citizen Concerns Received	115	118	101	108	99	69	75	88	70	59
No. of Concerns Responses with 72 hours	99%	98%	100%	100%	100%	100%	100%	100%	100%	100%

*Information is not available for this time period

Sources: Various city departments.

* Daily average sanitary sewer treatment in gallons lower in 2010 - meters were recalibrated.

CITY OF ST. PETERS, MISSOURI

**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Functions/Program										
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)	225	225	225	225	225	230	230	243	297	297
Streetlights	2,398	2,483	2,483	2,483	2,483	2652	2652	3103	3,235	3,215
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	20	20	21	21	21	21	21	21
Park acreage	686	686	986	986	1,190	1285.8	1285.8	1283.8	1,284	1,284
Golf Courses	11	1	1	1	1	1	1	1	1	1
Outdoor swimming Pools	3	3	3	3	3	3	3	3	3	2
Tennis Courts	7	7	7	7	7	7	7	7	7	7
Miles of hiking/biking trails	10	10	10	10	10	14.1	14.6	21.5	22.4	22.6
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)	242	251	261	261	261	276	276	276	284.4	292.6
Fire hydrants	1,959	1,970	1,981	1,989	1,831	1895	1927	1948	1,953	1,968
Wastewater										
Sanitary sewers (miles)	215	227	239	239	239	243	243	243	257	258
Storm Sewers (miles)	134	147	161	161	161	161	161	175	186	214
Treatment capacity (thousands of gallons)	6,900,000	6,900,000	6,900,000	6,900,000	6,900,000	9,500,000	9,500,000	9,500,000	9,500,000	9,500,000
Solid Waste										
Customers - Residential	15,494	15,666	15,801	16,172	16,317	16,438	16,631	16,871	16,855	17,214
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.