
CITY OF ST. PETERS, MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2014



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**



January 28, 2015

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, 2014, 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.

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

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, Health and Wellness 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 550 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 industries. 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 was 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 (62.82 cents in the General Fund and 14.18 cents in the Debt Service Fund) without cutting any City services. The assessed valuation for the City of St. Peters during the 2014 fiscal year was \$1,008,150,116.

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, 2013. 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.

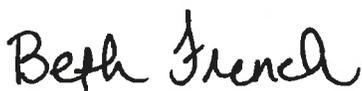
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

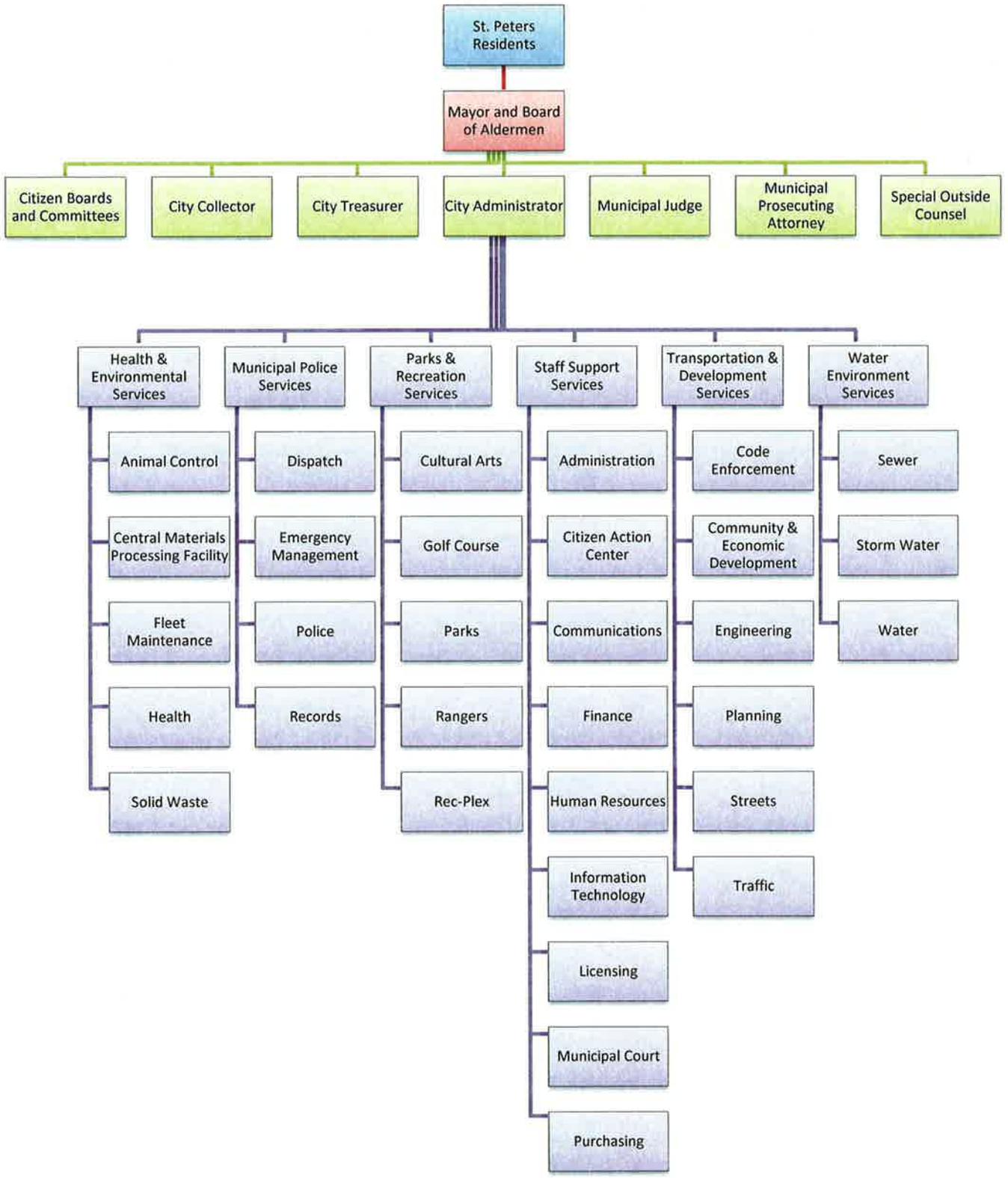
Patrick Barclay
Don Aytes

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, 2013

Executive Director/CEO

Financial Section

**City of
St. Peters**



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CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

11878 GRAVOIS ROAD
ST. LOUIS, MISSOURI 63127
(314) 849-4999
FAX (314) 849-3486

FINANCIAL SERVICES
COMPUTER SOLUTIONS
ADMINISTRATIVE OFFICES

11777 GRAVOIS ROAD
ST. LOUIS, MISSOURI 63127
(314) 842-2929
FAX (314) 842-3488

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 unit, 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, 2014, 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.

MEMBERS

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of St. Peters, Missouri, as of September 30, 2014, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, in fiscal year 2014, the City adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

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 73 – 78, and the pension related information on pages 79 – 80 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, other supplementary information - combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information - combining and individual fund financial statements and schedules 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 other supplementary information - combining and individual fund financial statements and schedules 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 January 28, 2015, 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
January 28, 2015

Management's Discussion and Analysis

CITY OF ST. PETERS, MISSOURI

MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2014

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, 2014. 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.

As further described in Note 1, the City adopted GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," for the year ended September 30, 2014. As a result, certain comparative information for the year ended September 30, 2013 has been restated.

FINANCIAL HIGHLIGHTS

- The assets of the City exceed its liabilities (net position) at the end of the fiscal year by approximately \$334.5 million. Net position is comprised of: \$306.3 million net investment in capital assets; \$4.9 million restricted for debt service; \$6.8 million restricted for transportation; \$8.3 million restricted for other purposes; \$10.3 million unrestricted and available for the City's business-type activities; offset by (\$2.1 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 \$3.7 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 \$596,000 over the course of this year's operations. Governmental activities increased by approximately \$1.468 million, and business-type activities decreased by \$872,000. Explanations for these changes will be discussed in more detail throughout this report.
- Every other year the value of all real property located within the City is reassessed by the County Assessor. Fiscal year 2104 was a reassessment year and overall property values in the City decreased by approximately 2.9%. Even though the State of Missouri 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, in an attempt to assist our residents the City retained the same property tax rate of 77 cents per \$100 of assessed valuation that we have had since 2007.
- 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. This was the first full fiscal year the City collected the higher rate and during the year we recorded \$2.1 million more in sales tax revenue for this function than in the prior year.
- On September 23, 2014, the City issued \$9,675,000 in General Obligation Bonds, Series 2014, with interest rates ranging from 2.0% to 3.5% and final maturity in 2034. This is the third 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 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. Additional information related to the City's outstanding debt can be found in Note 6 of the Basic Financial Statements.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- 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 increased government-wide by \$3.6 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 grants and contributions increased \$1.9 million from the prior year with most of the change related to dedications to the public works function of the City, grants from St. Charles County for public work road improvements and dedications and tap on fees in the waterworks/sanitary sewer function.
 - In addition, charges for services increased by \$1.7 million. Charges for services related to governmental activities decreased by \$239,000. The majority of this change comes from reduced citation revenue related to the police function offset by an increase in building and engineering permit fees. Charges for services related to our business-type activities increased by \$1.9 million. A 3.5% increase in our water and sewer rates combined with increased water sales of approximately 2% resulted in an overall increase in charges for services for this function of \$1 million. In the prior fiscal year residents received four free months of trash service from funds that were set aside after the sale of land in the Lakeside 370 area. In the current year residents received two months for free. The additional two months of revenue combined with a rate increase resulted in increased revenue of \$794,000 for our solid waste function. The central materials processing facility function's revenue increased by \$101,000 primarily from increased recycling revenue. Overall recreation charges for services increased by only \$29,000 or less than 1%.
- 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 \$2.5 million. The largest change in general revenues comes from sales tax. Government wide sales tax increased almost \$3.2 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. Decreased assessed valuation of property discussed previously resulted in a \$225,000 decrease in revenue for property tax. The majority of the remaining decrease is from a prior year litigation settlement in our solid waste function offset by increases in governmental activities for franchise taxes and other revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

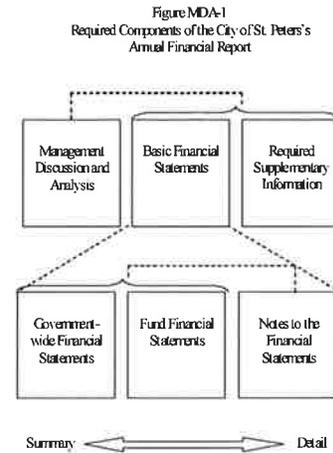
This annual report consists of three parts: the introductory section; the financial section which includes the auditors' report, management's discussion and analysis, the basic financial statements and required supplementary information, other supplementary information that presents schedules for non-major 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.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- 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	Fund Statements		
	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 position Statement of revenues, expenditures, and changes in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
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, deferred inflows/outflows 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	
	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)	2014
Assets						
Current and other assets	\$ 38,044,499	\$ 49,362,341	\$ 15,641,035	\$ 16,019,584	\$ 53,685,534	\$ 65,381,925
Capital assets (net of depreciation)	317,006,275	316,094,872	94,156,883	92,004,809	411,163,158	408,099,681
Total assets	<u>355,050,774</u>	<u>365,457,213</u>	<u>109,797,918</u>	<u>108,024,393</u>	<u>464,848,692</u>	<u>473,481,606</u>
Deferred outflows of resources	443,610	76,682	707,157	964,025	1,150,767	1,040,707
Liabilities						
Long-term obligations	70,179,035	75,889,984	44,790,624	43,770,523	114,969,659	119,660,507
Other liabilities	12,049,814	14,285,116	5,067,512	5,443,156	17,117,326	19,728,272
Total liabilities	<u>82,228,849</u>	<u>90,175,100</u>	<u>49,858,136</u>	<u>49,213,679</u>	<u>132,086,985</u>	<u>139,388,779</u>
Deferred inflows of resources	-	625,000	-	-	-	625,000
Net position						
Net investment in capital assets	259,697,165	257,684,628	50,083,741	48,590,611	309,780,906	306,275,239
Restricted	18,334,646	19,103,037	854,833	852,012	19,189,479	19,955,049
Unrestricted	(4,766,276)	(2,053,870)	9,708,365	10,332,116	4,942,089	8,278,246
Total Net Assets	<u>\$ 273,265,535</u>	<u>\$ 274,733,795</u>	<u>\$ 60,646,939</u>	<u>\$ 59,774,739</u>	<u>\$ 333,912,474</u>	<u>\$ 334,508,534</u>

As seen in Table MDA-3, the City's total assets of \$473.5 million include \$65.4 million in current and other assets and \$408.1 million in capital assets.

Citywide assets increased during the fiscal year by \$8.6 million. The majority of this change relates to increased cash from unspent capital project bond proceeds from the September 23, 2014 bond issue discussed previously; receivables for surplus distributions, local transportation grants, and for an agreement with the Natatorium Foundation for pool projects. 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 \$139.4 million include \$119.7 million that is not due or payable in the next fiscal year and \$19.7 million 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 \$2.6 million increase in other liabilities of which \$944,000 relates to debt (\$374,000 increased accrued interest and \$570,000 increase in the current portion of long-term debt) and \$1.9 million for accounts payable due to timing of payments related to capital projects offset by decreases in other liabilities.

The \$625,000 increase in deferred inflows of resources relates to an agreement with the Natatorium Foundation for the parks and recreation function of the City for pool related projects.

Total net position of approximately \$334.5 million is comprised of \$306.3 million net investment in capital assets; \$20 million restricted for debt service, transportation projects and other purposes; \$10.3 million unrestricted and available for the City's business-type activities and as discussed previously a negative \$2.1 million unrestricted for governmental purposes.

Changes in Net Position

The City's combined net position changed by less than 1% during fiscal year 2014 as a result of the activity shown in Table MDA-4.

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

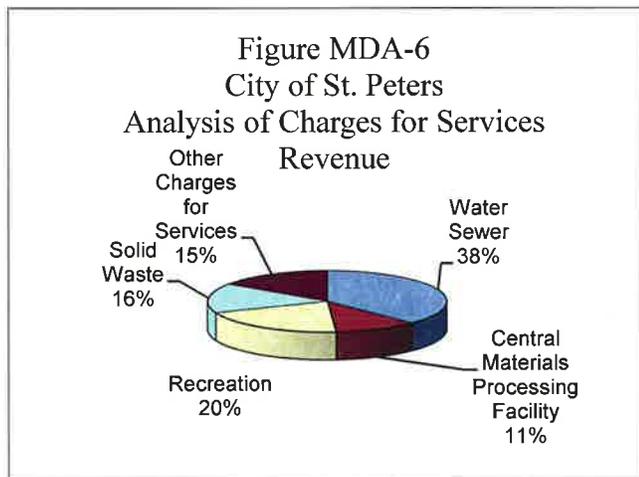
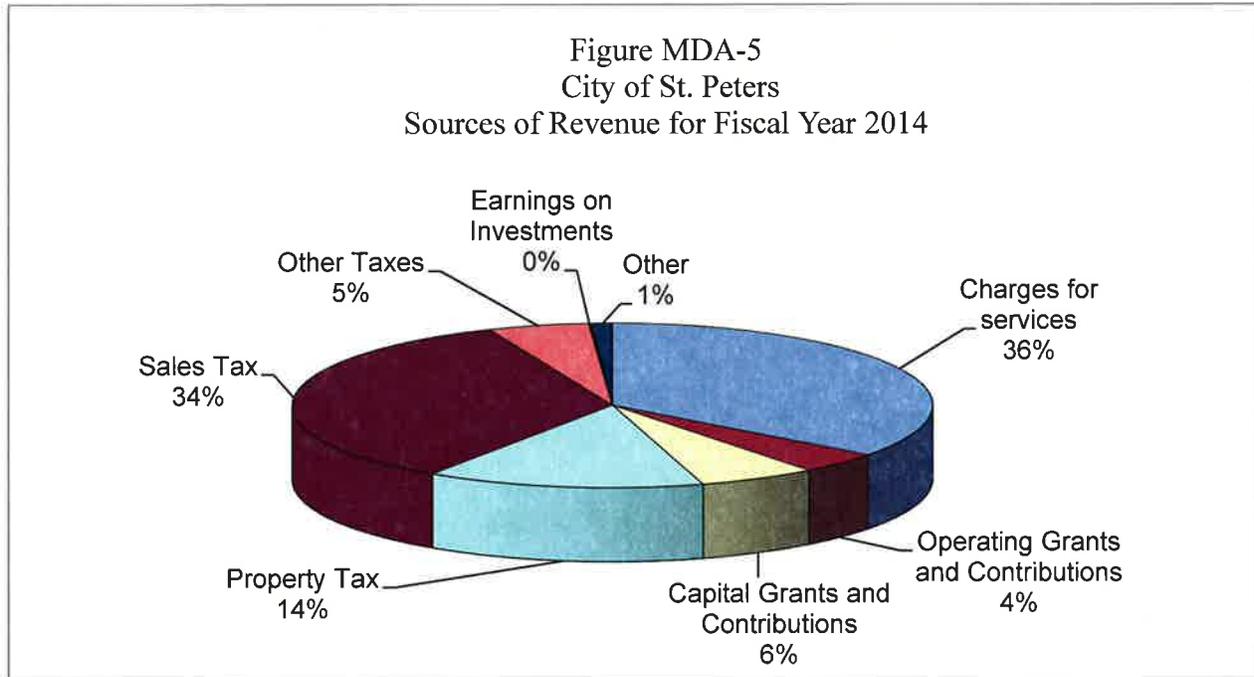
	Governmental Activities		Business-type Activities		Total	
	2013 (restated)	2014	2013 (restated)	2014	2013 (restated)	2014
Revenues						
Program Revenues						
Charges for services	\$ 5,136,528	\$ 4,897,940	\$ 24,884,774	\$ 26,811,506	\$ 30,021,302	\$ 31,709,446
Operating grants and contributions	3,631,928	3,763,445	-	-	3,631,928	3,763,445
Capital grants and contributions	2,919,675	5,207,464	614,710	95,307	3,534,385	5,302,771
General Revenue						
Property tax	12,786,408	12,561,674	-	-	12,786,408	12,561,674
Sales tax	27,570,502	30,740,870	-	-	27,570,502	30,740,870
Other taxes	4,390,460	4,576,446	-	-	4,390,460	4,576,446
Earnings on investments	35,882	70,805	1,188	3,298	37,070	74,103
Gain on sale of capital assets	103,457	65,068	79,477	5,501	182,934	70,569
Other	538,000	918,616	907,278	-	1,445,278	918,616
Total revenues	57,112,840	62,802,328	26,487,427	26,915,612	83,600,267	89,717,940
Expenses						
General government	6,698,790	8,086,574	-	-	6,698,790	8,086,574
Administration	4,199,160	4,566,965	-	-	4,199,160	4,566,965
Police	12,986,440	13,217,760	-	-	12,986,440	13,217,760
Municipal court	436,179	463,094	-	-	436,179	463,094
Public works	15,085,756	18,345,680	-	-	15,085,756	18,345,680
Engineering	2,269,573	2,274,286	-	-	2,269,573	2,274,286
Maintenance	331,483	391,037	-	-	331,483	391,037
Health	755,145	806,137	-	-	755,145	806,137
Parks and recreation	6,338,658	6,609,149	-	-	6,338,658	6,609,149
Community relations	996,207	969,256	-	-	996,207	969,256
Community and arts	263,590	265,679	-	-	263,590	265,679
Interest on long-term debt	3,296,574	2,536,740	-	-	3,296,574	2,536,740
Waterworks/sanitary sewer	-	-	12,205,763	12,098,460	12,205,763	12,098,460
Solid waste	-	-	5,141,961	6,073,236	5,141,961	6,073,236
Central materials processing facility	-	-	3,754,701	3,933,581	3,754,701	3,933,581
Recreation	-	-	8,211,429	8,484,246	8,211,429	8,484,246
Total expenses	53,657,555	58,532,357	29,313,854	30,589,523	82,971,409	89,121,880
Increase (decrease) in net position before transfers	3,455,285	4,269,971	(2,826,427)	(3,673,911)	628,858	596,060
Transfers	(427,927)	(2,801,711)	427,927	2,801,711	-	-
Increase (decrease) in net position	3,027,358	1,468,260	(2,398,500)	(872,200)	628,858	596,060
Beginning Net Position	270,238,177	273,265,535	63,045,439	60,646,939	333,283,616	333,912,474
Ending Net Position	\$ 273,265,535	\$ 274,733,795	\$ 60,646,939	\$ 59,774,739	\$ 333,912,474	\$ 334,508,534

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

For the fiscal year ended September 30, 2014, government-wide revenues totaled \$89.7 million.

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



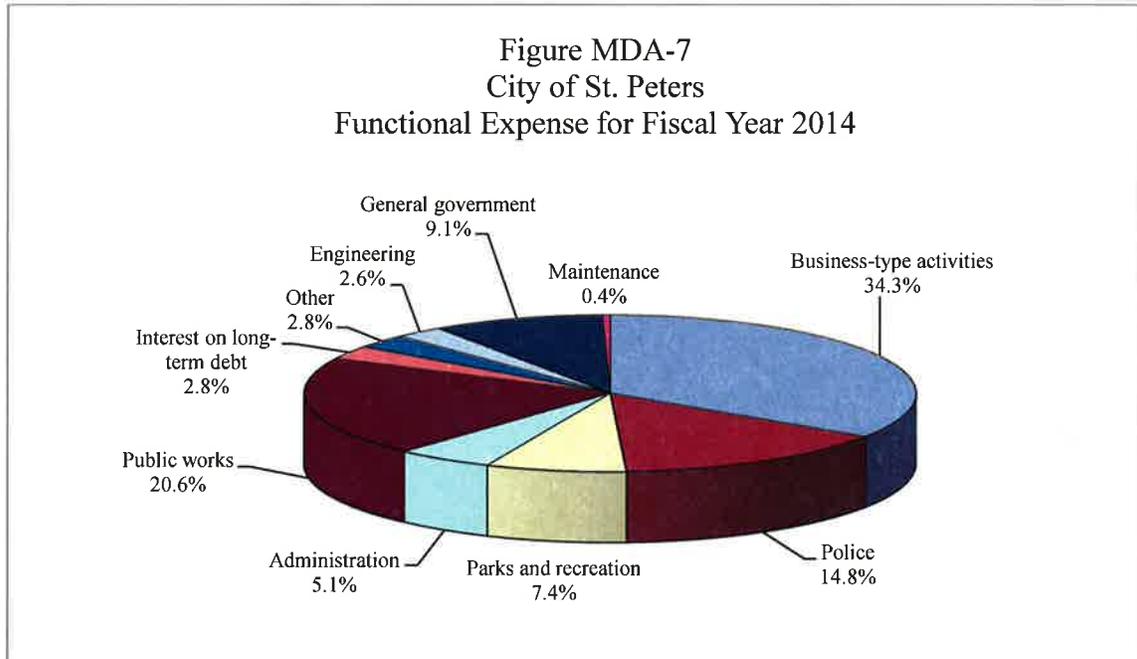
The largest source of revenue relates to charges for services which are derived from users of the City's programs such as athletic programs at the REC-PLEX, the City's recreational complex, and fees for the users of the City's waterworks and sewerage system and other business-type activities. As seen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

The second largest revenue source for the entire city is sales tax, which during the 2014 fiscal year equaled \$30.7 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 2014 the total cost of all programs and services increased by 7% or \$6.2 million to a total of \$89.1 million. The City's expenses cover a range of services including parks and recreation, law enforcement, administration and public works. As seen below approximately 34% of all city expenses during the 2014 fiscal year are related to business-type activities.



Governmental Activities

Revenues for the City's governmental activities total \$62.8 million, of which approximately 49% is sales tax, 20% is property tax and 22% is for program revenues such as charges for services and grants and contributions. Expenses for the City's governmental activities total \$58.5 million. These activities, combined with the transfers out of governmental activities result in an increase in net position for the fiscal year of \$1.5 million.

As stated earlier, the cost of all governmental activities this year was \$58.5 million; however, the amount that our taxpayers paid for these services through City taxes was \$44.7 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 (\$4.9 million) and from grants and contributions (\$8.9 million). The City paid for the \$44.7 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	\$ 4,566,965	\$ 4,566,965
Engineering	2,274,286	2,274,286
General government	8,086,574	5,977,123
Interest on long-term debt	2,536,740	2,536,740
Other	2,895,203	2,624,111
Parks and recreation	6,609,149	6,293,610
Police	13,217,760	9,520,114
Public Works	18,345,680	10,870,559
	<u>\$ 58,532,357</u>	<u>\$ 44,663,508</u>

Charges for services related to governmental activities decreased \$239,000 or 5%. This change largely relates to two functions. General governmental which increased by \$328,000 from increased building permit revenues and police which decreased \$566,000 from reduced citation revenue. Governmental capital and operating grants and contributions increased by \$2.4 million relating primarily to the increase of in dedicated assets (\$2.9 million) with the remaining balance due to a decrease in the amount of grants received for various road and park projects during the year.

General governmental revenues increased \$1.1 million due to an almost \$3.2 million increase in sales tax from a strengthening economy and the City's emphasis on economic development and the first full year of the increased tax rate for local parks and storm water; increases in franchise taxes and other revenues of \$563,000 offset by a decreases of \$225,000 in property tax revenue discussed previously; and transfers of \$2.4 million.

Governmental expense increased by 9% or \$4.9 million during fiscal year 2014, some of the significant changes by governmental function are:

- An increase of \$1.4 million in general governmental expense which is derived from an additional \$500,000 transfer to the Other Post Employment Benefits Trust Fund and an additional \$878,000 surplus distribution from the Special Allocation Fund – City Centre.
- An increase in public works expense of \$3.3 million comprised of an additional \$313,000 spent for chemicals to treat the roads during inclement weather; \$624,000 in concrete slab replacements; \$171,000 in asphalt repairs and overlay projects; and \$1.9 million for road projects that are maintained by the State and therefore, not capitalized by the City.

Business-Type Activities

Revenues (excluding transfers) of the City's business-type activities increased \$428,000 to \$26.9 million; expenses increased \$1.3 million to a total of \$30.6 million; and transfers in during the current fiscal year increased by \$2.4 million to \$2.8, resulting in an overall decrease in net position for the fiscal year of \$900,000. (Refer to Table MDA-4.) Factors contributed to these results included:

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- Overall business-type activity charges for services increased \$1.9 million to a total of \$26.8 million. A 3.5% increase in our water and sewer rates combined with increased water sales of approximately 2% resulted in an overall increase in charges for services for this function of \$1 million. In the prior fiscal year residents received four free months of trash service from funds that were set aside after the sale of land in the Lakeside 370 area. In the current year residents received two months for free. The additional two months of revenue combined with a rate increase resulted in increased revenue of \$794,000 for our solid waste function. The central materials processing facility function's revenue increased by \$101,000 primarily from increased recycling revenue. Overall recreation charges for services increased by only \$29,000 or less than 1%.
- Capital grants and contributions decreased by \$519,000 since we had fewer dedications in our water and sewer operations during the year.
- The general revenues of our Business-type activities showed a \$1.4 million increase comprised of a \$2.4 million increase in transfers in offset by a \$1 million decrease in other revenues. The decline in other general revenues is primarily from our solid waste operations where in the prior year a \$900,000 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) was received.
- Overall the water and sewer function's expense decreased by \$107,000 or less than 1%. The majority of the change can be attributed to decreases in depreciation expense of \$159,000, gain (loss) on the disposal of capital assets of \$246,000, property insurance claims \$161,000 and professional services of \$91,000 offset by increases in personnel costs of \$59,000, purchased water of \$117,000 and miscellaneous expense of \$297,000.
- During the year the City implemented a new yard waste collection program and gave residents a free container to use for yard waste disposal. This program had a onetime cost of \$750,000 to purchase the containers which accounts for the majority of the increased expense in the solid waste function. The remaining \$181,000 is from increased yard waste disposal fees, repair and maintenance of vehicles, and the purchase of other containers for the trash collection operations.
- Expense for the central materials processing facility function increased during fiscal year 2014 by \$179,000. The significant changes include increases in the cost of landfill fees of \$36,000 due to increased tonnage processed, increased personnel costs of \$99,000 and increased repair and maintenance on the building and to machinery and equipment of \$40,000.
- Expense for recreation increased by \$273,000. This change can be attributed to increases in personnel costs of \$159,000 from raises, a new position in the support group, and increased hours at Lakeside 370 Park; depreciation expense of \$100,000 and miscellaneous expense of \$118,000 offset by a decrease of \$119,000 in bond interest and fees from the prior year refunding.

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 local parks and storm water fund, the special allocation fund – City Centre , the debt service fund, and the capital projects fund all of which are considered major funds. Data from the other seven 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 \$40,390,698, an increase of \$9.3 million from the prior fiscal year. Unassigned fund balance constitutes \$3,799,230 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 (\$1,048,641)
- Restricted for:
 - Transportation (\$7,000,039)
 - Sewer lateral projects (\$753,913)
 - Water line repair projects (\$189,006)
 - Special allocation projects (\$3,658,366)
 - Grants (\$820,958)
 - Debt service (\$4,143,950)
 - Local parks and storm water (\$3,723,505)
 - Police services (\$380,048)
 - Storm water projects (\$9,904,668)
- Committed for:
 - Contingency (\$2,500,000)
- Assigned for:
 - Capital projects (\$1,552,521)
 - Liquidation of contracts and purchase orders of the prior period (\$436,714)
 - Subsequent year budget (\$479,140)

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 2014, the General Fund's fund balance increased by \$1.8 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 31% of the total general fund operating expenditures.

Key factors for the change in the General Fund's fund balance include events discussed previously and the following:

- The establishment of a Committed Reserve for Contingency in the amount of \$2,500,000. In addition, the Board of Aldermen has committed to appropriate an additional \$500,000 each year until the Contingency Reserve reaches a targeted amount of \$5,000,000.
- Net transfers in/(out) of (\$768,000) (see Note 8 for details).

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- 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 393 residential and 11 commercial building permits with estimated construction values of \$87,448,896 and \$18,029,175, respectively. This compares to the prior year of 526 residential and 11 commercial building permits with estimated construction values of \$70,304,798 and \$15,211,039 respectively.

The other major funds of the City are the Transportation Trust Fund, the Debt Service Fund, the Special Allocation Fund – City Centre, and the Capital Projects Fund. The fund balance in the Transportation Trust Fund increased to \$7.7 million. The change in fund balance is attributed to expenditures for maintenance of our existing infrastructure and new infrastructure construction of \$6.5 million and debt service and related fees of \$773,000 offset by resources of \$7.4 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 Local Park and Storm Water Fund increased to \$3.9 million. This fund is used to account for revenues dedicated to park and storm water projects. As discussed previously, this was the first full year of the increased rate of sales tax for this fund and total revenues for the year were \$6.8 million. The ranger division had expenses of \$957,000, the parks department spent \$2.5 million and the storm water department spent \$1.6 million. In addition there were \$167,000 in debt service costs and \$1 million was transferred to other funds. (See Note 8 for details on transfers). Major projects during the year include the replacement of the poolpak and filters in the REC-PLEX natatorium, the construction of a corporate pavilion, comfort station, parking lot and archery range at Lakeside Park.

The fund balance in the Special Allocation Fund – City Centre decreased by \$40,000 to \$1,642,000. 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 \$522,000 resulting in a total ending balance of \$1.6 million, all of which is available for debt service in future years. During the year, the City had \$3.2 million of expenditures in this fund all related to debt service.

The Capital Projects Fund had a \$6.7 million increase in fund balance. During the year the City incurred \$3.2 million in expenditures for projects offset by revenue from the issuance of bonds. The City had over 10 major storm water projects underway during the year. Some of the notable projects were the to the Country Creek basin, the Enwood basin, improvement to the Highlands basin and channel, and storm water improvements at Henry Street.

The other seven non-major governmental funds had a \$646,000 increase in fund balance to a total of \$5.4 million. Significant changes can be attributed to:

- A decrease of \$245,000 in the Sewer Lateral Fund to repair our residents' sewer laterals.
- An increase of \$51,000 in the Water Line Service Repair Fund to repair our residents' water lines.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- An increase of \$920,000 in the Old Town TIF Fund from revenue in the area offset by infrastructure improvements and surplus distributions within the district.
- A decrease of \$106,000 in the Lakeside TIF Fund.
- A decrease of \$133,000 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 \$158,000 in the CDBG Sub-Recipient Fund as we change over to a sub-recipient from the County under the CDBG Sub-recipient Fund.
- A decrease of \$107 in the Neighborhood Improvement District.

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:

- Decreased sales tax to reflect an expected 4% growth above prior year actual (\$393,000).
- Decreased fines and forfeitures to reflect an expected 2.5% growth over prior year actual (\$260,000).
- Increased revenue to reflect tourism tax (\$125,000) and budgeted the transfer of these funds to the Recreation Fund
- Increased the contribution to the Other Post Employment Benefits Trust Fund by \$500,000 derived from better than budgeted health insurance expense savings during the prior fiscal year.
- Increased administration salary and fringe benefit expense by \$250,000 to expected actual.
- Increased transfers to reserves for \$121,558 of federal funds for police activities and \$35,000 to fund a future capital improvement at the Justice Centre.

Variations Between Final Budget and Actual Result of the General Fund

Overall the City ended the fiscal year \$3.6 million better than budget with unreserved fund balance \$3.5 million more than budget. The variations between final budget and actual amounts can be seen in Figure MDA-9. The significant variations between the original and final budget include:

- We base the budget for property tax on the assessed valuations received from the County; however, if a resident does not turn in a declaration of property tax for personal property it is not included in our values. When the resident attempts to sell/transfer/license that property they must show proof of paid taxes which then increases the amount of revenue during the year.
- We had an unusually cold winter and our local natural gas provider had a rate increase which resulted in an increase in our franchise tax revenue.
- There was additional revenue for cable franchise tax due to the increased bills of our residents.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

- Several large building permits were issued during the year causing our license and permit revenue to exceed budget.
- Miscellaneous revenue exceeded budget due to a litigation settlement and funds received from developers related to the City's Tree and Landscape Ordinance.
- All of these positive variances were offset by cigarette tax and fine and forfeiture revenues that came in lower than budget. Over the last few years we have seen a decline in the revenue related to the sale of cigarettes in the City and this year was no exception yet the 2013/14 budget was not reduced to reflect the actual trends. The number of citations issued (non red-light) had also declined from 2010 to 2013 however; even though the 2013/14 budget was reduced we still did not realize the revised amounts.

The City conservatively budgets expenditures and did not make many adjustments during the year to reflect actual results. The City's actual expenditures were below the final budgeted expenditures by \$2.8 million as a result of salaries 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 governmental professional services, several department's repair and maintenance items, and capital expenditures were offset with overages in property insurance claims.

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	\$ (12,999)
Property tax	148,995
Utility franchise tax	199,343
Cigarette tax	(52,248)
Licenses and permits	442,487
Interest	(4,033)
Intergovernmental	379,517
Fines and forfeitures	(611,004)
Charges for services	21,642
Miscellaneous	181,125
Total Revenues	692,825
Expenditures	
General government	208,535
Administration	477,589
Police	766,495
Municipal court	18,592
Public works	199,650
Engineering	201,336
Maintenance	72,130
Health	80,294
Parks and recreation	467,156
Community relations	160,388
Community and arts	9,620
Capital outlay	100,542
Debt service:	
Principal	-
Interest and fiscal charges	219
Other	2,900
Total Expenditures	2,765,446
Revenues Over (Under) Expenditures	3,458,271
Other Financing Uses:	106,639
Revenues Under Expenditures and Other Financing Uses	3,564,910
Fund Balances	
Budget basis:	
Unreserved:	
Beginning of year	-
Transfer from (to) reserved	(102,126)
End of year	3,462,784
Reserved:	
Beginning of year	-
Transfer from (to) unreserved	102,126
End of Year	102,126
Budget basis, end of year	\$ 3,564,910

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

Long-Term Debt

At September 30, 2014, the City had a number of debt issues outstanding. Below is a summary of the City's debt:

Figure MDA-10
City of St. Peters's Outstanding Debt
September 30, 2014

	<u>2013</u>	<u>2014</u>
Governmental Activities		
General Obligation (G.O.) Bonds	\$ 36,830,000	\$ 44,655,000
Tax Increment Financing (TIF) Notes	5,184,000	3,717,000
Limited General Obligation (G.O.) Bonds	18,700	12,700
Certificate of Participation	10,935,000	10,155,000
Development Notes	13,305,000	13,305,000
TOTAL	<u>\$ 66,272,700</u>	<u>\$ 71,844,700</u>
Business-type Activities		
Water/Sewer Revenue Bonds (Net of Unaccreted Capital Appreciation)	\$ 27,813,794	\$ 27,025,429
Certificate of Participation	17,155,000	16,250,000
TOTAL	<u>\$ 44,968,794</u>	<u>\$ 43,275,429</u>
Total		
General Obligation (G.O.) Bonds	\$ 36,830,000	\$ 44,655,000
Tax Increment Financing (TIF) Notes	5,184,000	3,717,000
Limited General Obligation (G.O.) Bonds	18,700	12,700
Certificate of Participation	28,090,000	26,405,000
Development Notes	13,305,000	13,305,000
Water/Sewer Revenue Bonds (Net of Unaccreted Capital Appreciation)	27,813,794	27,025,429
TOTAL	<u>\$ 111,241,494</u>	<u>\$ 115,120,129</u>

As discussed previously during the year the City issued \$9,675,000 in G.O. Bonds for storm water projects.

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, 2014, the City was well within this limit with a legal debt margin of \$57,781,740. 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 \$100,815,012 at September 30, 2014. Additional information about the City's long-term debt is presented in Note 6 to the financial statements.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2014, the City had invested \$408 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 2014 was \$3.1 million.

- \$12 million in new assets
- \$16.7 million in depreciation
- \$24,534 in retirements (net of accumulated depreciation)
- \$1.5 million increase in construction in progress

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

- Governmental assets placed in service during the year include over \$4.4 million of dedications the City accepted in dedicated streets, sidewalks, storm sewers and right-of-way from developers, subdivisions, and homeowner associations and \$2.4 million for major road maintenance such as concrete slab replacements and asphalt overlay.
- We also added approximately \$376,000 in improvements to City buildings including the addition of a parking lot and lights at Woodland Park; and \$1.4 million in police and public works vehicles and equipment.

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:
 - \$117,800 in Water Tower Improvements and Sewer Pump Stations
 - \$170,640 in water and sewer lines (including dedications).
 - \$591,770 in vehicles and other machinery and equipment related to the water and sewer operations.
- The major change related to the Solid Waste Fund is the replacement of one solid waste collection vehicle.
- The major change in the Central Materials Processing Fund was the replacement of a skid loader for \$36,000 and three dock doors for \$27,000.
- In the Recreation Fund we placed into service the following capital assets:
 - \$1,159,000 for construction of a pavilion with restrooms and parking lot at Lakeside 370.
 - \$57,000 for construction of an archery range at Lakeside 370
 - \$761,890 for replacement of the poolpak and filters in the REC-PLEX natatorium.
 - \$47,790 in golf course facility improvements.

Outstanding encumbrances for capital assets at the end of the fiscal year were \$7.4 million. This amount has been accounted for in the City's budget-based statements and the City has no plans to issue additional debt to finance these projects. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

CITY OF ST. PETERS, MISSOURI

Management's Discussion and Analysis (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Our fundamental focus when preparing fiscal year 2014/15's budget was to continue the philosophy of preparing balanced budgets in each fund without subsidies from other sources. This was accomplished in all funds except the Recreation Fund, which will receive a subsidy from the Local Parks and Storm Water Fund. A Contingency Reserve was established by ordinance in the General Fund during fiscal year 2013/14 with an initial funding of \$2,500,000. The Board of Aldermen has committed to appropriate an additional \$500,000 each year until the Contingency Reserve reaches the targeted amount of \$5,000,000. There are no major budgetary changes from the preceding year.

Fiscal year 2014/15 is a non-reassessment year (reassessment occurs every two years) and property tax revenue is estimated to increase by roughly 2% and 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.

Also included in property tax revenue is a surcharge for commercial property, penalties, and interest. Property tax generated will increase by \$59,600 citywide (a \$154,200 increase in the General Fund and a \$77,700 increase in the Debt Service Fund). Property tax generated in the tax increment financing districts will decrease by \$172,300.

Consideration was given to both the needs of the City of St. Peters during the 2014/15 fiscal year and the impact that the 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. A summary of the current CIP can be found in the capital section of the budget document, and the full CIP can be found on the City's website at <http://www.stpetersmo.net/capital-improvement-plan.aspx>.

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. The 2014/15 budget reflects a proposed rate increase of 3.5% in our Water and Sewer Fund, an increase for solid waste collection fees of approximately 1.5% to keep up with inflationary costs, and small fee increases in our Recreation Fund.

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, 2014**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Natorium Foundation
Assets:				
Cash and investments	\$ 38,090,217	\$ 9,216,115	\$ 47,306,332	\$ 2,077,441
Receivables (net):				
Taxes	3,905,001	-	3,905,001	-
Services	-	2,500,969	2,500,969	-
Intergovernmental	776,504	-	776,504	-
Other	1,474,284	836,695	2,310,979	741
Internal balances	284,003	(284,003)	-	-
Inventory and prepaid items	1,048,641	72,098	1,120,739	-
Investment in joint venture	-	1,827,736	1,827,736	-
Restricted cash and investments	2,636,318	1,849,974	4,486,292	-
Long-term receivables	1,147,373	-	1,147,373	-
Capital assets:				
Nondepreciable	165,217,535	1,409,878	166,627,413	-
Depreciable	150,877,337	90,594,931	241,472,268	-
Total Assets	365,457,213	108,024,393	473,481,606	2,078,182
Deferred Outflows of Resources:				
Deferred charge on refunding	76,682	964,025	1,040,707	-
Liabilities:				
Accounts payable	4,413,346	952,485	5,365,831	-
Accrued interest	1,703,576	347,314	2,050,890	-
Accrued payroll	1,286,831	433,728	1,720,559	-
Unearned revenue	566,813	303,968	870,781	-
Deposits	460,020	287,812	747,832	-
Claims payable	1,215,226	-	1,215,226	-
Other liabilities	2,500	7,767	10,267	-
Long-term liabilities:				
Due within one year	4,636,804	3,110,082	7,746,886	-
Due in more than one year	75,889,984	43,770,523	119,660,507	-
Total Liabilities	90,175,100	49,213,679	139,388,779	-
Deferred Inflows of Resources:				
Unavailable revenues - contributions	625,000	-	625,000	-
Net Position:				
Net investment in capital assets	257,684,628	48,590,611	306,275,239	-
Restricted for:				
Transportation	6,830,810	-	6,830,810	-
Sewer lateral projects	753,912	-	753,912	-
Water line repair projects	189,006	-	189,006	-
Special allocation projects	2,378,401	-	2,378,401	-
Grants	820,958	-	820,958	-
Debt service	4,040,752	852,012	4,892,764	-
Local parks and stormwater	3,709,150	-	3,709,150	-
Police services	380,048	-	380,048	-
Unrestricted	(2,053,870)	10,332,116	8,278,246	2,078,182
Total Net Position	\$ 274,733,795	\$ 59,774,739	\$ 334,508,534	\$ 2,078,182

CITY OF ST. PETERS, MISSOURI

**BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	Major Funds						Nonmajor	Total
	General	Transportation Trust	Local Parks and Stormwater Fund	Special Allocation-City Centre	Debt Service	Capital Projects	Other Govern-mental Funds	
Assets:								
Cash and investments:								
Unrestricted	\$ 8,700,128	\$ 6,593,241	\$ 3,565,005	\$ 314,055	\$ 1,614,660	\$ 11,966,960	\$ 5,336,168	\$ 38,090,217
Restricted	87,004	628,654	166,878	1,753,782	-	-	-	2,636,318
Receivables, net of allowances where applicable:								
Taxes	2,420,373	628,698	628,472	128,871	93,799	-	4,788	3,905,001
Intergovernmental	148,721	579,267	2,857	-	-	-	45,659	776,504
Other	355,546	335,371	707,258	-	5,852	310,912	200,115	1,915,054
Due from other funds	676,397	-	-	-	-	-	-	676,397
Long term receivables	-	-	-	-	-	-	647,373	647,373
Inventory and prepaid items	999,339	49,088	203	-	-	-	11	1,048,641
Total Assets	\$ 13,387,508	\$ 8,814,319	\$ 5,070,673	\$ 2,196,708	\$ 1,714,311	\$ 12,277,872	\$ 6,234,114	\$ 49,695,505
Liabilities, Deferred Inflows of Resources and Fund Balances:								
Liabilities:								
Accounts payable	\$ 897,123	\$ 547,103	\$ 457,756	\$ 554,860	\$ 1,970	\$ 1,480,919	\$ 473,615	\$ 4,413,346
Accrued liabilities	1,188,942	28,368	63,289	-	-	-	6,232	1,286,831
Deposits/guarantee bonds	456,720	-	-	-	-	-	3,300	460,020
Due to other funds	-	29,703	30,535	-	-	-	332,156	392,394
Unearned revenue	34,442	528,864	3,507	-	-	-	-	566,813
Claims payable	1,215,226	-	-	-	-	-	-	1,215,226
Other liabilities	-	2,500	-	-	-	-	-	2,500
Total Liabilities	3,792,453	1,136,538	555,087	554,860	1,970	1,480,919	815,303	8,337,130
Deferred Inflows of Resources:								
Unavailable revenues - property taxes	253,344	-	-	-	77,913	-	-	331,257
Unavailable revenues - contributions	-	-	625,000	-	-	-	-	625,000
Unavailable revenues - special assessments	-	-	-	-	-	-	11,420	11,420
Total Deferred Inflows of Resources	253,344	-	625,000	-	77,913	-	11,420	967,677
Fund Balances:								
Nonspendable	999,339	49,088	203	-	-	-	11	1,048,641
Restricted for:								
Transportation	-	7,000,039	-	-	-	-	-	7,000,039
Sewer lateral projects	-	-	-	-	-	-	753,912	753,912
Water line repair projects	-	-	-	-	-	-	189,006	189,006
Special allocation projects	-	-	-	15,463	-	-	3,642,903	3,658,366
Grants	-	-	-	-	-	-	820,958	820,958
Debt service	87,004	628,654	166,878	1,626,385	1,634,428	-	601	4,143,950
Local parks and stormwater	-	-	3,723,505	-	-	-	-	3,723,505
Police services	380,048	-	-	-	-	-	-	380,048
Stormwater projects	-	-	-	-	-	9,904,668	-	9,904,668
Committed:								
Contingency reserve	2,500,000	-	-	-	-	-	-	2,500,000
Assigned for:								
Capital projects	660,236	-	-	-	-	892,285	-	1,552,521
Encumbrances	436,714	-	-	-	-	-	-	436,714
Subsequent year budget	479,140	-	-	-	-	-	-	479,140
Unassigned	3,799,230	-	-	-	-	-	-	3,799,230
Total Fund Balances	9,341,711	7,677,781	3,890,586	1,641,848	1,634,428	10,796,953	5,407,391	40,390,698
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 13,387,508	\$ 8,814,319	\$ 5,070,673	\$ 2,196,708	\$ 1,714,311	\$ 12,277,872	\$ 6,234,114	\$ 49,695,505

CITY OF ST. PETERS, MISSOURI

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014**

Total Fund Balance - Governmental Funds \$ 40,390,698

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 \$476,681,354 and the accumulated depreciation is \$160,586,482 316,094,872

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. 331,257

Special assessments levied by the City, but not collected within 60 days of year end, are deferred within the fund financial statements. However, revenue for this amount, is recognized in the government-wide statements. 11,420

To recognize federal interest subsidy which is not a current financial resource and therefore is not reported in the funds. 59,230

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 deferred amounts on refunding 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, 2014 are:

Accrued compensated absences, vacation	(1,375,804)
Accrued interest on outstanding debt	(1,703,576)
Other post employment benefit obligation	(6,983,934)
Net pension obligation	(135,138)
Bonds and notes payable	(71,844,700)
Unamortized bond discount	260,278
Unamortized bond premium	(447,490)
Unamortized deferred charge on refunding	76,682

Total Net Position - Governmental Activities \$ 274,733,795

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	Major Funds						Nonmajor	Total
	General	Transportation Trust	Local Parks and Stormwater Fund	Special Allocation-City Centre	Debt Service	Capital Projects	Other Governmental Funds	
Revenues:								
Sales tax	\$ 13,087,001	\$ 6,543,500	\$ 6,487,198	\$ 3,585,002	\$ -	\$ -	\$ 914,796	\$ 30,617,497
Property tax	7,074,373	-	-	3,204,262	1,533,357	-	770,615	12,582,607
Utility franchise tax	4,389,843	-	-	4,752	-	-	-	4,394,595
Cigarette tax	181,852	-	-	-	-	-	-	181,852
Licenses and permits	1,534,587	-	-	-	-	-	-	1,534,587
Interest	967	845	403	11,836	798	389	55,565	70,803
Intergovernmental	3,529,517	770,034	5,874	-	-	-	230,922	4,536,347
Fines and forfeitures	1,802,296	-	-	-	-	-	-	1,802,296
Charges for services	690,842	-	9,234	-	-	-	771,162	1,471,238
Miscellaneous	567,411	82,641	294,179	200,000	4,829	-	6,976	1,156,036
Total Revenues	32,858,689	7,397,020	6,796,888	7,005,852	1,538,984	389	2,750,036	58,347,858
Expenditures:								
Current:								
General government	2,004,811	-	-	5,246,280	-	-	512,504	7,763,595
Administration	4,124,185	-	-	-	-	-	-	4,124,185
Police	11,963,592	-	-	-	-	-	-	11,963,592
Municipal court	443,018	-	-	-	-	-	-	443,018
Public works	1,918,150	4,439,258	1,234,650	-	-	-	979,187	8,571,245
Engineering	2,092,877	-	-	-	-	-	-	2,092,877
Maintenance	346,799	-	-	-	-	-	-	346,799
Health	618,089	-	-	-	-	-	-	618,089
Parks and recreation	4,667,225	-	950,861	-	-	-	-	5,618,086
Community relations	823,337	-	-	-	-	-	-	823,337
Community and arts	184,880	-	-	-	-	-	-	184,880
Capital outlay	778,357	2,009,077	2,885,015	-	-	3,132,674	602,602	9,407,725
Debt service:								
Principal retirement	305,000	355,000	120,000	1,467,000	1,850,000	-	6,000	4,103,000
Interest	71,881	416,800	45,465	331,138	1,283,658	-	738	2,149,680
Other	-	795	1,166	1,590	35,967	94,548	2,845	136,911
Total Expenditures	30,342,201	7,220,930	5,237,157	7,046,008	3,169,625	3,227,222	2,103,876	58,347,019
Revenues Over (Under) Expenditures	2,516,488	176,090	1,559,731	(40,156)	(1,630,641)	(3,226,833)	646,160	839
Other Financing Sources (Uses):								
Transfers in	84,713	-	-	-	1,108,968	-	-	1,193,681
Transfers out	(852,374)	-	(1,029,968)	-	-	(84,713)	-	(1,967,055)
Proceeds from sale of capital assets	86,313	3,115	-	-	-	-	-	89,428
Issuance of debt	-	-	-	-	-	9,675,000	-	9,675,000
Bond premium	-	-	-	-	-	324,216	-	324,216
Total Other Financing Sources (Uses)	(681,348)	3,115	(1,029,968)	-	1,108,968	9,914,503	-	9,315,270
Net Changes in Fund Balances	1,835,140	179,205	529,763	(40,156)	(521,673)	6,687,670	646,160	9,316,109
Fund Balances:								
Beginning of Year	7,506,571	7,498,576	3,360,823	1,682,004	2,156,101	4,109,283	4,761,231	31,074,589
End of Year	\$ 9,341,711	\$ 7,677,781	\$ 3,890,586	\$ 1,641,848	\$ 1,634,428	\$ 10,796,953	\$ 5,407,391	\$ 40,390,698

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, 2014**

Net change in fund balances - total governmental funds	\$ 9,316,109
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 \$5,000 for general and \$25,000 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	7,902,756
Proceeds from sale of capital assets	(89,428)
Donated capital assets	4,400,468
Net transfer of assets between the proprietary and governmental activities	(2,028,337)
Depreciation expense	<u>(11,161,930)</u> (976,471)
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.	65,068
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	(9,675,000)
Repayment of bond and note principal	<u>4,103,000</u> (5,572,000)
Under the modified accrual basis of accounting used in governmental funds the effect of 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	(187,081)
Compensated absences	(35,422)
Other post employment benefits	(744,683)
Net pension obligation	1,090
Premium on debt issuances, net of amortization	(315,607)
Discount on debt issuances, net of amortization	(19,749)
Deferred charge on refunding, net of amortization	<u>(51,928)</u> (1,353,380)
Property tax revenues received prior to the year for which they are being levied are reported as deferred inflows in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year.	(20,933)
Special assessments levied by the City, not due until future years are reported as deferred inflows in the governmental funds. In the statement of activities, the special assessments were recognized as revenues in the year they were levied. Deferred special assessment revenues increased this year.	11,420
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.	<u>(1,553)</u>
Change in net position of governmental activities	<u><u>\$ 1,468,260</u></u>

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2014**

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	
Assets:					
Current Assets:					
Cash and investments:					
Unrestricted	\$ 4,948,774	\$ 1,181,517	\$ 987,117	\$ 2,098,707	\$ 9,216,115
Restricted	1,849,974	-	-	-	1,849,974
Receivables, net allowances:					
Services	1,663,231	764,866	72,872	-	2,500,969
Other	375,469	172,961	136,265	152,000	836,695
Inventory/prepays	1,170	302	37,176	33,450	72,098
Total Current Assets	8,838,618	2,119,646	1,233,430	2,284,157	14,475,851
Noncurrent Assets:					
Investment in joint venture	1,827,736	-	-	-	1,827,736
Capital assets	111,478,893	7,001,917	6,612,090	52,126,142	177,219,042
Less: Accumulated depreciation	52,172,541	5,560,215	4,544,971	22,936,506	85,214,233
Capital assets - net	59,306,352	1,441,702	2,067,119	29,189,636	92,004,809
Total Noncurrent Assets	61,134,088	1,441,702	2,067,119	29,189,636	93,832,545
Total Assets	69,972,706	3,561,348	3,300,549	31,473,793	108,308,396
Deferred Outflows of Resources:					
Deferred charge on refunding	-	-	-	964,025	964,025
Liabilities:					
Current Liabilities:					
Accounts payable	540,849	18,619	252,247	140,770	952,485
Accrued payroll	142,574	79,399	68,406	143,349	433,728
Accrued compensated absences	179,622	108,341	70,855	106,264	465,082
Accrued interest	82,050	-	-	265,264	347,314
Deposits held for others	172,862	-	114	114,836	287,812
Due to other funds	204,783	64,016	2,725	12,479	284,003
Unearned revenue	38,016	-	-	265,952	303,968
Current portion of revenue bonds payable	1,930,000 *	-	-	715,000	2,645,000
Other	28	-	-	7,739	7,767
Total Current Liabilities	3,290,784	270,375	394,347	1,771,653	5,727,159
Noncurrent Liabilities:					
Long-term portion of revenue bonds payable	24,896,142	-	-	15,873,056	40,769,198
Other long-term liabilities	1,159,021	638,215	564,352	639,737	3,001,325
Total Liabilities	29,345,947	908,590	958,699	18,284,446	49,497,682
Net Position:					
Net investment in capital assets	32,480,210	1,441,702	2,067,119	12,601,580	48,590,611
Restricted for debt service	852,012	-	-	-	852,012
Unrestricted	7,294,537	1,211,056	274,731	1,551,792	10,332,116
Total Net Position	\$ 40,626,759	\$ 2,652,758	\$ 2,341,850	\$ 14,153,372	\$ 59,774,739

* 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, 2014**

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	
Operating Revenues:					
Water	\$ 5,069,493	\$ -	\$ -	\$ -	\$ 5,069,493
Sewer	4,203,393	-	-	-	4,203,393
Solid waste	-	4,759,837	-	-	4,759,837
Tap on fees	853,200	-	-	-	853,200
Tipping fees	-	-	1,912,571	-	1,912,571
Recycling income	-	-	1,287,985	-	1,287,985
Earth Centre	-	-	362,152	-	362,152
Recreation	-	-	-	6,385,330	6,385,330
Miscellaneous	1,765,924	180,600	31,021	-	1,977,545
Total Operating Revenues	11,892,010	4,940,437	3,593,729	6,385,330	26,811,506
Operating Expenses:					
Personnel costs	3,922,590	2,220,284	1,798,496	3,640,519	11,581,889
Depreciation	2,625,895	614,023	242,898	2,054,448	5,537,264
Utilities	683,412	46,973	45,329	877,003	1,652,717
Purchased water	745,530	-	-	-	745,530
Wastewater treatment costs	107,799	-	-	-	107,799
Disposal fees	-	1,022,430	996,152	-	2,018,582
Repairs and maintenance	606,534	281,027	120,097	234,437	1,242,095
Chemicals and supplies	361,714	442	308	70,158	432,622
Professional services	176,416	19,973	35,368	141,403	373,160
Office expense	214,375	57,191	194,693	316,631	782,890
Insurance	171,200	33,333	20,095	47,941	272,569
Gasoline and fuel	130,056	285,262	38,354	30,134	483,806
Rent	6,278	1,240	2,971	-	10,489
Concessions	-	-	-	214,037	214,037
Miscellaneous	1,127,626	1,491,058	438,820	185,023	3,242,527
Total Operating Expenses	10,879,425	6,073,236	3,933,581	7,811,734	28,697,976
Operating Income (Loss)	1,012,585	(1,132,799)	(339,852)	(1,426,404)	(1,886,470)
Nonoperating Revenues (Expenses):					
Interest on investments	651	169	106	2,372	3,298
Bond interest and fees	(1,225,189)	-	-	(672,512)	(1,897,701)
Gain (loss) on disposal of capital assets	74,235	5,675	-	(174)	79,736
Equity loss in joint venture	(68,081)	-	-	-	(68,081)
Total Nonoperating Revenues (Expenses)	(1,218,384)	5,844	106	(670,314)	(1,882,748)
Loss Before Capital Contributions and Transfers	(205,799)	(1,126,955)	(339,746)	(2,096,718)	(3,769,218)
Capital contributions	95,307	-	-	2,028,337	2,123,644
Transfers in	-	-	-	773,374	773,374
Changes In Net Position	(110,492)	(1,126,955)	(339,746)	704,993	(872,200)
Net Position - Beginning of Year, Restated	40,737,251	3,779,713	2,681,596	13,448,379	60,646,939
Net Position - End of Year	\$ 40,626,759	\$ 2,652,758	\$ 2,341,850	\$ 14,153,372	\$ 59,774,739

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	Major Enterprise Funds				Total Enterprise Funds
	Waterworks/ Sanitary Sewer	Solid Waste	Central Materials Processing Facility	Recreation	
Cash Flows From Operating Activities:					
Receipts from customers	\$ 10,164,313	\$ 4,816,864	\$ 3,565,875	\$ 6,401,793	\$ 24,948,845
Payments to suppliers	(4,289,604)	(3,251,425)	(1,843,986)	(2,072,119)	(11,457,134)
Payment to employees	(3,792,670)	(2,137,557)	(1,732,215)	(3,545,569)	(11,208,011)
Other receipts	1,832,700	157,175	140,494	26,538	2,156,907
Net Cash Provided By (Used In) Operating Activities	3,914,739	(414,943)	130,168	810,643	4,440,607
Cash Flows Provided By (Used In) Noncapital Financing Activities:					
Transfers in	-	-	-	773,374	773,374
Advances on (repayments of) internal balances	7,914	(2,647)	(1,825)	(21,993)	(18,551)
Net Cash Provided By (Used In) Noncapital Financing Activities	7,914	(2,647)	(1,825)	751,381	754,823
Cash Flows From Capital and Related Financing Activities:					
Acquisition and construction of capital assets, net	(763,270)	(241,421)	(67,449)	(119,580)	(1,191,720)
Proceeds from sale of capital assets	4,151	5,675	-	-	9,826
Principal paid on bonds	(1,795,000)	-	-	(905,000)	(2,700,000)
Interest and fees paid on bonds	(198,696)	-	-	(447,809)	(646,505)
Net Cash Used In Capital and Related Financing Activities	(2,752,815)	(235,746)	(67,449)	(1,472,389)	(4,528,399)
Cash Flows Provided By Investing Activities:					
Interest received on investments	651	169	106	2,372	3,298
Net Increase (Decrease) In Cash And Cash Equivalents	1,170,489	(653,167)	61,000	92,007	670,329
Cash and Cash Equivalents - Beginning of Year	5,628,259	1,834,684	926,117	2,006,700	10,395,760
Cash and Cash Equivalents - End of Year	\$ 6,798,748	\$ 1,181,517	\$ 987,117	\$ 2,098,707	\$ 11,066,089
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:					
Operating income (loss)	\$ 1,012,585	\$ (1,132,799)	\$ (339,852)	\$ (1,426,404)	\$ (1,886,470)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	2,625,895	614,023	242,898	2,054,448	5,537,264
(Increase) decrease in assets:					
Services receivable	38,227	57,027	3,167	-	98,421
Miscellaneous receivable	48,144	(23,425)	109,359	5,864	139,942
Inventory	(1,170)	(302)	7,776	(2,417)	3,887
Increase (decrease) in liabilities:					
Accounts payable	42,506	(12,194)	40,425	47,065	117,802
Accrued payroll	7,781	4,953	10,887	9,966	33,587
Accrued vacation	4,000	12,798	268	19,350	36,416
Deposits held for others	18,604	-	114	17,774	36,492
Other liabilities	118,167	64,976	55,126	84,997	323,266
Total Adjustments	2,902,154	717,856	470,020	2,237,047	6,327,077
Net Cash Provided By (Used In) Operating Activities	\$ 3,914,739	\$ (414,943)	\$ 130,168	\$ 810,643	\$ 4,440,607

Noncash Investing, Capital and Financing Activities:

During fiscal year 2014, the Waterworks/Sanitary Sewer Fund received \$95,307 in contributed water and sewer lines from developers and incurred a \$68,081 equity loss in joint venture. The Recreation Fund received \$2,028,337 in contributed capital from governmental activities.

CITY OF ST. PETERS, MISSOURI

**STATEMENT OF FIDUCIARY NET POSITION -
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SEPTEMBER 30, 2014**

ASSETS:

Cash and investments:

Held by trustees:

Money market mutual funds \$ 199,810

Domestic equity investments:

Exchange traded funds 801,681

Mutual funds 4,625,718

International equities:

Exchange traded funds 600,990

Mutual funds 490,375

Fixed income investments:

Credit 972,563

Diversified taxable mutual funds 3,403,326

Other 92,952

Alternative investments:

Hedge funds 550,301

Infrastructure 266,302

Traded real estate 164,738

Commodities 54,476

Receivables, net of allowances:

Interest 7,946

Prepaid items 14,230

Total Assets

12,245,408

LIABILITIES:

Accounts payable 190,076

Unearned revenue 10,862

Total Liabilities

200,938

NET POSITION:

Restricted for other post employment benefits \$ 12,044,470

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, 2014**

ADDITIONS:

Contributions:

City of St. Peters	\$ 1,036,250
Plan members	128,285
Total Contributions	<u>1,164,535</u>

Investment income:

Interest and dividends	1,308,256
Net depreciation in the fair value of plan investments	(224,995)
Total Investment Income	<u>1,083,261</u>

Total Additions 2,247,796

DEDUCTIONS:

Benefit payments 828,775

Administrative and general expenses:

Insurance, taxes and other premiums	223,295
Professional fees	47,512
Total administrative and general expenses	<u>270,807</u>

Total Deductions 1,099,582

CHANGE IN NET POSITION 1,148,214

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

BEGINNING OF YEAR 10,896,256

END OF YEAR \$ 12,044,470

CITY OF ST. PETERS, MISSOURI

**NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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.

Local Parks And Stormwater - The local parks and stormwater fund is used to account for one-tenth sales tax revenue and grant proceeds to be used for park and stormwater projects.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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.

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, deferred outflows/inflows of resources 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, deferred outflows/inflows of resources and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets, deferred outflows/inflows of resources 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 unearned and deferred revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange And NonExchange Transactions

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

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

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Unearned Revenues

Unearned 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.

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 \$5,000 or more for general capital assets and \$25,000 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 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.

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.

Deferred Outflows/Inflows Of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide-statement and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from three sources: property taxes, contributions and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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.

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's committed fund balance consists of the contingency reserve as outlined below.

Assigned - This consists of the governmental fund balances that are intended to be used for specific purposes by the Board of Aldermen. The City's assigned fund balance includes capital projects, monies budgeted in the subsequent year and general fund contractual obligations (encumbrances) not previously accounted for. Assigned encumbrances by function are as follows:

Function	Amount
General government	\$ 9,824
Administration	301,920
Police	34,305
Engineering	7,532
Maintenance	3,208
Health	52,264
Parks and recreation	26,677
Community relations	984
Total	<u><u>\$ 436,714</u></u>

Unassigned - This consists of the governmental funds that do not meet the definition of "nonspendable," "restricted," "committed," or "assigned." The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 an ordinance 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 ordinance requires the City to create a Contingency Reserve within the General Fund. The City transferred \$2,500,000 into the Contingency Reserve during Fiscal Year 2014 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:

- 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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Net Position

In the government-wide financial statements, net position is 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.

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 year ended September 30, 2014 the City adopted GASB 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 financial statement elements deferred outflows of resources and deferred inflows of resources such as changes in the determination of the major fund calculations

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

and limiting the use of the term deferred in financial statement presentations. The accounting change was applied retroactively. As a result, the net position for the year ended September 30, 2013 has been restated as follows:

Government-Wide Financial Statements	Governmental Activities	Business-Type Activities	Total
Net position, beginning of year, as originally reported	\$ 273,635,497	\$ 61,161,595	\$ 334,797,092
Expense bond issuance costs, previously amortized over the life of the debt	(337,299)	(501,781)	(839,080)
Expense bond issuance costs previously included with the deferred amount on refunding	(32,663)	(12,875)	(45,538)
Net position, beginning of year, restated	\$ 273,265,535	\$ 60,646,939	\$ 333,912,474

Fund Financial Statements	Waterworks/ Sanitary Sewer Fund	Recreation Fund
Net position, beginning of year, as originally reported	\$ 41,040,470	\$ 13,659,816
Expense bond issuance costs, previously amortized over the life of the debt	(303,219)	(198,562)
Expense bond issuance costs previously included with the deferred amount on refunding	-	(12,875)
Net position, beginning of year, restated	\$ 40,737,251	\$ 13,448,379

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, 2014, all of the City's investments were in compliance with the City's investment policy.

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

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

As of September 30, 2014, the City's deposit and investment balances were as follows:

<u>Deposit/Investment Type</u>	<u>Carrying Value</u>
Deposits	\$49,374,124
Money market mutual funds	<u>2,418,500</u>
	<u>\$51,792,624</u>

As of September 30, 2014, the discretely presented component unit's investment balances were as follows:

Discretely Presented Component Unit

Deposits	\$ 51
Money market funds	13,723
Stocks - domestic	461,736
Stocks - foreign	118,184
Mutual funds - domestic	364,916
Mutual funds - international	372,978
Fixed income mutual funds (domestic)	600,425
Fixed income mutual funds (international)	<u>145,428</u>
	<u>\$ 2,077,441</u>

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

Fiduciary Trust Investments

Money market mutual funds	\$ 199,810
Exchange traded funds - domestic	801,681
Mutual funds - domestic	4,625,718
Exchange traded funds - foreign	600,990
Mutual funds - international	490,375
Fixed income investments - credit	972,563
Fixed income investments - diversified taxable mutual funds	3,403,326
Fixed income investments - emerging markets	92,952
Hedge funds	550,301
Infrastructure	266,302
Traded real estate	164,738
Commodities	<u>54,476</u>
	<u>\$ 12,223,232</u>

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2014, the City had the following investments and maturities:

Investment	Carrying Value	Investment Maturities (In Years)	
		Less than 1	1 - 5
City:			
Money market mutual funds	\$ 2,418,500	\$ 2,418,500	\$ -
	<u>\$ 2,418,500</u>	<u>\$ 2,418,500</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.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2014, 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.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

- 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, 2014, 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	\$ 199,810	\$ -	\$ 199,810	\$ -
Exchange Traded Funds - Domestic	801,681	801,681	-	-
Exchange Traded Funds - Foreign	600,990	600,990	-	-
Mutual Funds:				
Domestic	4,625,718	4,625,718	-	-
International	490,375	490,375	-	-
Fixed Income - Diversified Taxable	3,403,326	-	3,403,326	-
Fixed Income Investments - Credit	972,563	-	972,563	-
Fixed Income Investments - Emerging Markets	92,952	-	92,952	-
Hedge Funds	550,301	550,301	-	-
Infrastructure	266,302	266,302	-	-
Traded Real Estate	164,738	164,738	-	-
Commodities	54,476	54,476	-	-
	\$ 12,223,232	\$ 7,554,581	\$ 4,668,651	\$ -

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	\$ 199,810	\$ -	\$ -	\$ -	\$ -
AA	-	1,327,624	-	-	-
A	-	2,075,702	-	972,563	-
BB	-	-	51,638	-	-
BBB	-	-	41,314	-	-
Unrated	-	-	-	-	7,554,581
	\$ 199,810	\$ 3,403,326	\$ 92,952	\$ 972,563	\$ 7,554,581

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, 2014, the City had the following concentrations of credit risk:

Description	Carrying Value	Percentage of Total Investments
Exchange traded funds - domestic	\$ 801,681	21.6%
Exchange traded funds - foreign	600,990	16.2%
Fixed income investments - credit	972,563	26.3%
Hedge funds	550,301	14.9%

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 \$.6282 is for general revenue purposes and \$.1418 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, 2014:

	Balance October 1, 2013	Additions and transfers	Retirements and transfers	Balance September 30, 2014
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 154,315,422	\$ 3,698,671	\$ -	\$ 158,014,093
Construction in progress	5,708,165	3,952,235	2,456,958	7,203,442
Total capital assets not being depreciated	160,023,587	7,650,906	2,456,958	165,217,535
Capital assets, being depreciated:				
Structures and improvements	53,873,026	376,544	183,203	54,066,367
Machinery and equipment	19,160,546	500,783	5,236,835	14,424,494
Furniture and fixtures	1,577,418	6,616	1,015,580	568,454
Vehicles	5,920,894	968,507	635,058	6,254,343
Infrastructure	234,336,412	3,228,489	1,414,740	236,150,161
Total capital assets being depreciated	314,868,296	5,080,939	8,485,416	311,463,819
Less - accumulated depreciation for:				
Structures and improvements	20,074,818	1,847,369	183,203	21,738,984
Machinery and equipment	16,281,559	1,042,040	5,236,835	12,086,764
Furniture and fixtures	1,326,205	54,426	1,015,543	365,088
Vehicles	4,679,971	581,399	610,735	4,650,635
Infrastructure	115,523,055	7,636,696	1,414,740	121,745,011
Total accumulated depreciation	157,885,608	11,161,930	8,461,056	160,586,482
Total capital assets being depreciated, net	156,982,688	(6,080,991)	24,360	150,877,337
Governmental activities, capital assets, net	\$ 317,006,275	\$ 1,569,915	\$ 2,481,318	\$ 316,094,872

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	Balance October 1, 2013	Additions and Transfers	Retirements and Transfers	Balance September 30, 2014
Business-Type Activities:				
Waterworks/Sanitary Sewer:				
Capital assets, not being depreciated:				
Land and land rights	\$ 1,289,356	\$ -	\$ -	\$ 1,289,356
Construction in progress	72,161	81,434	33,073	120,522
Total capital assets not being depreciated	1,361,517	81,434	33,073	1,409,878
Capital assets, being depreciated:				
Structures and improvements	57,927,818	117,816	51,100	57,994,534
Water lines	24,155,948	45,223	7,149	24,194,022
Sewer lines	22,563,214	125,415	-	22,688,629
Machinery, equipment and vehicles	5,246,840	591,762	651,410	5,187,192
Furniture, fixtures and other assets	24,195	-	19,557	4,638
Total capital assets being depreciated	109,918,015	880,216	729,216	110,069,015
Less: Accumulated depreciation for:				
Structures and improvements	29,986,831	1,296,203	51,100	31,231,934
Water lines	7,886,309	517,463	7,149	8,396,623
Sewer lines	7,744,387	452,114	-	8,196,501
Machinery, equipment and vehicles	4,634,691	359,719	651,410	4,343,000
Furniture, fixtures and other assets	23,644	396	19,557	4,483
Total accumulated depreciation	50,275,862	2,625,895	729,216	52,172,541
Total capital assets being depreciated, net Waterworks/sanitary sewer capital assets, net	59,642,153	(1,745,679)	-	57,896,474
	\$ 61,003,670	\$ (1,664,245)	\$ 33,073	\$ 59,306,352
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	-	3,366	707,268
Machinery and equipment	2,355,073	4,996	1,244,336	1,115,733
Vehicles	5,351,478	236,426	408,988	5,178,916
Total capital assets being depreciated	8,417,185	241,422	1,656,690	7,001,917
Less: Accumulated depreciation for:				
Structures and improvements	561,056	20,765	3,366	578,455
Machinery and equipment	2,194,580	63,432	1,244,336	1,013,676
Vehicles	3,847,246	529,826	408,988	3,968,084
Total accumulated depreciation	6,602,882	614,023	1,656,690	5,560,215
Total capital assets being depreciated, net	1,814,303	(372,601)	-	1,441,702
Solid waste capital assets, net	\$ 1,814,303	\$ (372,601)	\$ -	\$ 1,441,702

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	Balance October 1, 2013	Additions and Transfers	Retirements and Transfers	Balance September 30, 2014
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	4,559,955	31,795	-	4,591,750
Machinery and equipment	1,874,483	35,654	52,912	1,857,225
Furniture and fixtures	15,106	-	13,899	1,207
Vehicles	161,908	-	-	161,908
Total capital assets being depreciated	6,611,452	67,449	66,811	6,612,090
Less: Accumulated depreciation for:				
Structures and improvements	2,640,887	165,917	-	2,806,804
Machinery and equipment	1,557,471	71,431	52,912	1,575,990
Furniture and fixtures	14,018	151	13,899	270
Vehicles	156,508	5,399	-	161,907
Total accumulated depreciation	4,368,884	242,898	66,811	4,544,971
Total capital assets being depreciated, net	2,242,568	(175,449)	-	2,067,119
Central Materials Processing Facility capital assets, net	\$ 2,242,568	\$ (175,449)	\$ -	\$ 2,067,119
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	48,083,305	2,141,288	6,639	50,217,954
Machinery and equipment	2,679,652	6,629	898,315	1,787,966
Furniture and fixtures	264,428	-	216,346	48,082
Vehicles	72,140	-	-	72,140
Total capital assets being depreciated	51,099,525	2,147,917	1,121,300	52,126,142
Less: Accumulated depreciation for:				
Structures and improvements	19,706,923	1,824,570	6,639	21,524,854
Machinery and equipment	2,005,054	212,902	898,141	1,319,815
Furniture and fixtures	249,555	3,943	216,346	37,152
Vehicles	41,652	13,033	-	54,685
Total accumulated depreciation	22,003,184	2,054,448	1,121,126	22,936,506
Total capital assets being depreciated, net	29,096,341	93,469	174	29,189,636
Recreation capital assets, net	\$ 29,096,341	\$ 93,469	\$ 174	\$ 29,189,636

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	\$ 322,979
Administration	315,582
Police	933,974
Municipal court	4,892
Public works	8,139,808
Engineering	130,307
Maintenance	22,008
Health	174,612
Parks and recreation	914,935
Community relations	123,082
Community and arts	79,751

**Total depreciation expense -
governmental-type activities** \$ 11,161,930

Business-Type Activities:

Waterworks/sanitary sewer	\$ 2,625,895
Solid waste	614,023
Central materials processing facilities	242,898
Recreation	2,054,448

**Total depreciation expense -
business-type activities** \$ 5,537,264

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 16.0% (general) and 15.4% (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, 2014 were as follows:

Annual required contribution	\$ 3,956,623
Interest on net pension obligation	13,777
Adjustment to annual required contribution	<u>(15,308)</u>
Annual pension cost	3,955,092
Actual contributions	<u>3,956,623</u>
Increase (decrease) in NPO	(1,531)
NPO beginning of year	<u>191,351</u>
NPO end of year	<u><u>\$ 189,820</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, 2011 and February 29, 2012 annual actuarial valuations using the entry age actuarial cost method. The actuarial assumptions as of February 28, 2014 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, 2011 was 22 years for the general division and 30 years for the police division. The amortization period as of February 29, 2012 was 16 years for the general division and 19 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
2012	\$3,275,652	100.0%	\$186,082
2013	\$3,634,471	99.9%	\$191,351
2014	\$3,955,092	100.0%	\$189,820

Funded Status And Funding Progress

As of February 28, 2014, the most recent actuarial valuation date, the plan was 80% percent funded. The actuarial accrued liability for benefits was \$80.7 million, and the actuarial value of assets was \$64.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$15.9 million. The covered payroll (annual payroll of active employees covered by the plan) was \$24.4 million, and the ratio of the UAAL to the covered payroll was 65%.

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
Series 2014	9,675,000	September 2034
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 Refunding	1,725,000	June 2024
Series 2013 Refunding	18,540,000	May 2031
Development Notes (Premier 370 Project):		
Series 2008A	18,000,000	September 2028

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

	Balance - October 1, 2013	Additions	Retirements	Balance - September 30, 2014	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	2,455,000	-	280,000	2,175,000	285,000
Series 2010B Refunding	3,790,000	-	-	3,790,000	-
Series 2011 Refunding	3,750,000	-	1,400,000	2,350,000	1,620,000
Series 2012	3,835,000	-	170,000	3,665,000	170,000
Series 2014	-	9,675,000	-	9,675,000	385,000
Neighborhood Improvement District					
Limited General Obligation Bonds:					
Series 2006	18,700	-	6,000	12,700	6,000
Annual Appropriation Bonds:					
Tax Increment Revenue Notes:					
Taxable - Series 2001	817,000	-	817,000	-	-
Tax-exempt - Series 2001	4,367,000	-	650,000	3,717,000	-
Certificates of Participation:					
Series 2010A - Refunding portion	290,000	-	50,000	240,000	50,000
Series 2010B - Build America Bonds	7,765,000	-	355,000	7,410,000	360,000
Series 2010C - Refunding portion	1,495,000	-	120,000	1,375,000	120,000
Series 2013 - Refunding	1,385,000 *	-	255,000	1,130,000	265,000
Development Notes, Series A	13,305,000	-	-	13,305,000	-
OPEB obligation	6,239,251	1,575,976	831,293	6,983,934	-
Net pension obligation	136,228	2,933,216	2,934,306	135,138	-
Compensated absences	1,340,382	1,957,269	1,921,847	1,375,804	1,375,804
	<u>\$ 73,988,561</u>	<u>\$ 16,141,461</u>	<u>\$ 9,790,446</u>	<u>80,339,576</u>	<u>\$ 4,636,804</u>
Add: Unamortized premium				447,490	
Less: Unamortized discount				(260,278)	
Total Governmental Activities				<u>\$ 80,526,788</u>	
Business -Type Activities:					
Water/Sewer Revenue Bonds:					
Capital Appreciation Series 1999	\$ 1,890,000	\$ -	\$ 1,100,000	\$ 790,000	\$ 790,000
Capital Appreciation Series 2003	11,710,000	-	260,000	11,450,000	570,000
Capital Appreciation Series 2007	20,435,000	-	435,000	20,000,000	495,000
Revenue Bonds Series 2009	5,000,000	-	-	5,000,000	75,000
Annual Appropriation Bonds:					
Certificates of Participation:					
Series 2013 - Refunding	17,155,000 *	-	905,000	16,250,000	715,000
OPEB obligation	2,642,327	644,023	339,707	2,946,643	-
Net pension obligation	55,123	1,021,876	1,022,317	54,682	-
Compensated absences	428,666	624,992	588,576	465,082	465,082
	<u>\$ 59,316,116</u>	<u>\$ 2,290,891</u>	<u>\$ 4,650,600</u>	<u>56,956,407</u>	<u>\$ 3,110,082</u>
Add: Unamortized premium				338,056	
Less: Unamortized discount				(199,287)	
Unaccreted capital appreciation on bonds				(10,214,571)	
Total Business-Type Activities				<u>\$ 46,880,605</u>	

* Beginning balances have been restated by \$315,000 between governmental activities and business type activities to reflect the proper allocation among funds.

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, 2014, assuming the Certificates of Participation lease/purchase agreement is renewed each year, are as follows:

Years Ending September 30	Governmental Activities				Business-Type Activities				Total Debt Service Requirements To Maturity	
	General Obligation and Special Assessment		Annual Appropriation		Revenue Bonds		Annual Appropriation		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2015	\$ 2,466,000	\$ 1,517,333	\$ 795,000	\$ 509,920	\$ 1,930,000	\$ 197,589	\$ 715,000	\$ 636,633	\$ 5,906,000	\$ 2,861,475
2016	2,091,700	1,488,134	825,000	483,543	1,985,000	195,339	735,000	617,900	5,636,700	2,784,916
2017	2,150,000	1,428,778	850,000	453,400	2,035,000	191,589	760,000	588,873	5,795,000	2,662,640
2018	2,215,000	1,359,218	880,000	419,236	2,090,000	186,339	790,000	558,895	5,975,000	2,523,688
2019	2,290,000	1,281,823	560,000	375,354	2,140,000	178,464	810,000	534,518	5,800,000	2,370,159
2020-2024	14,265,000	5,000,435	2,965,000	1,473,063	10,925,000	725,788	4,535,000	2,191,175	32,690,000	9,390,461
2025-2029	15,090,000	2,000,009	2,680,000	700,650	10,980,000	320,313	5,410,000	1,280,480	34,160,000	4,301,452
2030-2034	4,100,000	343,008	600,000	37,500	5,155,000	-	2,495,000	171,353	12,350,000	551,861
	\$ 44,667,700	\$ 14,418,738	\$ 10,155,000	\$ 4,452,666	\$ 37,240,000	\$ 1,995,421	\$ 16,250,000	\$ 6,579,827	\$ 108,312,700	\$ 27,446,652

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. \$1,634,428 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 2034.

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.

The total principal and interest remaining on the bonds is \$13,313, payable through March 2016. For the current year, principal and interest paid and total special assessment revenues were \$6,738 and \$6,976, respectively.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Tax Increment Financing (TIF) Notes Payable

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

The TIF notes represent special, limited obligations of the City, payable solely from the incremental sales and property taxes generated by the development project. The annual debt service repayments of the TIF notes are contingent upon the amounts of payments in lieu of taxes collected by the TIF districts. The notes bear interest at rates ranging from 7% to 8.5% and mature December 1, 2015.

For the current year, principal and interest paid and total incremental sales tax revenues were \$1,798,138 and \$1,864,786, respectively.

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.

The City has pledged future water customer revenues, net of specified operating expenses, to repay \$37.2 million in water system revenue bonds, Series 1999, Series 2003, Series 2007 and Series 2009. Proceeds from the bonds provided financing for the Waterworks and Sewerage System. The bonds are payable solely from water customer net revenues and are payable through May 2032. The total principal and interest remaining to be paid on the bonds is \$39,235,41. Principal and interest paid for the current year and total customer net revenues were \$1,992,589 and \$3,364,826 respectively.

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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 the Series 2006A Certificates was considered defeased and the City removed the liability from its accounts. The outstanding principal of the defeased bonds was called November 1, 2013; therefore, no amounts were outstanding as of September 30, 2014.

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 and was subsequently reduced to \$18 million. As of September 30, 2014, 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.

For the current year, principal and interest paid and pledged revenues were \$0 and \$2,405, respectively.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 - 2013 tax year	<u>\$1,008,150,116</u>
Debt limit - 10% of assessed valuation	<u>100,815,012</u>
Amount of debt applicable to debt limit:	
Total general obligation bonded debt	44,667,700
Less: Amount available in debt service fund	<u>(1,634,428)</u>
Bond indebtedness applicable to debt limit	<u>43,033,272</u>
Legal debt margin	<u>\$ 57,781,740</u>

7. ENTERPRISE FUNDS DEBT REQUIREMENTS

Cash and cash equivalents and investments restricted at September 30, 2014 are as follows:

Revenue Fund	\$ 127,013
Series 1999 Waterworks and Sewage Bond Debt Service Fund	329,167
Series 2003 Waterworks and Sewage Bond Debt Service Fund	285,000
Series 2007 Waterworks and Sewage Bond Debt Service Fund	247,500
Series 2009 Waterworks and Sewage Bond Debt Service Fund	136,294
Depreciation Fund	225,000
Interest Reserve Fund	<u>500,000</u>
	<u>\$ 1,849,974</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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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.

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, 2014, the City met all related debt reserve requirements.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

8. INTERFUND BALANCES AND TRANSFERS

The following represents a reconciliation of transfers between individual funds for the fiscal year ended September 30, 2014:

	Transfers From	Transfers To	Net Transfers
Major Governmental Funds:			
General	\$ 852,374	\$ 84,713	\$ (767,661)
Local Parks and Stormwater	1,029,968	-	(1,029,968)
Debt Service	-	1,108,968	1,108,968
Capital Projects	84,713	-	(84,713)
Major Enterprise Funds:			
Recreation	-	773,374	773,374
	<u>\$ 1,967,055</u>	<u>\$ 1,967,055</u>	<u>\$ -</u>

Interfund transfers of \$729,000 from the General Fund and \$379,968 from the Local Parks and Stormwater Fund were made to the Debt Service Fund for debt payments.

An interfund transfer of \$84,713 was made from the Capital Projects Fund to the General Fund to return unused funds.

An interfund transfer of 650,000 was made from the Local Parks and Stormwater Fund to the Recreation Fund for operating support.

An interfund transfer of \$123,374 was made from the General Fund to the Recreation Fund for tourism activities.

Individual fund interfund receivable and payable balances as of September 30, 2014 are as follows:

	Interfund Receivable	Interfund Payable
Major Governmental Funds:		
General	\$ 676,397	\$ -
Transportation Trust	-	29,703
Local Parks and Stormwater	-	30,535
Nonmajor Governmental Funds:		
Sewer Lateral Repair Program	-	71
Water Service Line Repair Program	-	46
Special Allocation Fund - Lakeside Redevelopment	-	294,808
Community Development Block Grant	-	9,256
Community Development Block Grant - Subrecipient	-	27,975
Major Enterprise Funds:		
Waterworks/Sanitary Sewer	-	204,783
Solid Waste	-	64,016
Central Materials Processing Facility	-	2,725
Recreation	-	12,479
	<u>\$ 676,397</u>	<u>\$ 676,397</u>

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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

Interfund payables at September 30, 2014 include \$12,479 in the Recreation Fund, \$29,703 in the Transportation Trust Fund, \$30,535 in the Local Parks and Stormwater Fund, \$71 in the Sewer Lateral Repair Program Fund, \$46 in the Water Service Line Repair Program Fund, \$64,016 in the Solid Waste Fund, \$204,783 in the Waterworks/Sanitary Sewer Fund and \$2,725 in the Central Materials Processing Facility Fund are for reimbursement to the General Fund for insurance expense.

Interfund payables of \$294,808 in the Special Allocation - Lakeside Redevelopment Fund, \$9,256 in the CDBG Fund and \$27,975 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, 2014 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 2014, the City of St. Peters, Missouri purchased water from the Joint Venture and paid related pumping charges totaling \$745,530. 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, 2014 is as follows:

Assets	<u>\$ 6,055,368</u>
Liabilities	\$ 640,368
Partnership capital:	
St. Peters	2,903,699
St. Charles	6,227,431
Accumulated deficit:	
St. Peters	(1,181,733)
St. Charles	<u>(2,534,397)</u>
	<u>\$ 6,055,368</u>
Operating revenue	\$ 2,117,247
Operating expenses	(2,316,990)
Nonoperating revenue	118
Net Loss	<u>\$ (199,625)</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, 2014, 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 \$1,215,226.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

Changes in the self-insured claims liabilities at September 30, 2014 and 2013 were as follows:

	Workers'		
	Compensation/		
	General	Medical	Total
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	607,436	600,000	1,207,436
Add: Current Year Claims And Changes in Estimate	600,712	3,804,030	4,404,742
Less: Claim Payments	592,922	3,804,030	4,396,952
Balance - September 30, 2014	\$ 615,226	\$ 600,000	\$ 1,215,226

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	--
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 2014, the City contributed \$1,036,250 to the Plan. Plan members receiving benefits contributed approximately \$128,000 through required contributions based on their years of service.

Annual OPEB Cost And Net OPEB Obligation

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

1. Annual required contribution (ARC)	\$ 2,059,000
2. Interest on net OPEB obligation (NOO)	621,000
3. Adjustment to ARC (Amortization of NOO)	(460,000)
4. Annual OPEB cost (expense), (1) + (2) + (3)	<u>2,220,000</u>
5. Employer contributions made	<u>(1,171,000)</u>
6. Change in net OPEB obligation, (4) + (5)	1,049,000
7. New OPEB obligation - beginning of year	<u>8,881,577</u>
8. Net OPEB obligation - end of year, (6) + (7)	<u><u>\$ 9,930,577</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year	Annual	Percentage of Annual	
		OPEB Cost	Net OPEB
Ended	OPEB Cost	Contributed	Obligation
2012	\$ 2,475,785	17.3%	\$ 7,812,577
2013	\$ 2,063,000	48.2%	\$ 8,881,577
2014	\$ 2,220,000	52.7%	\$ 9,930,577

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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, 2014, the covered payroll (annual payroll of active employees covered by the plan) was \$25.0 million, and the ratio of the UAAL to the covered payroll was 61%.

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, 2014, was 25 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.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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.

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, 2014, \$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. Subsequently, 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. Under the Series 2012 Bonds, the Company acquired and constructed real and personal property 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, 2014, \$25,516,885 of these Taxable Industrial Revenue Bonds have been issued and remain outstanding.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

14. ENCUMBRANCES

The following encumbrances were outstanding as of September 30, 2014:

Fund	Amount
Major Governmental Funds:	
General	\$ 436,714
Transportation Trust	3,088,149
Local Parks and Stormwater	706,566
Capital Projects	3,150,161
	<u>7,381,590</u>
Nonmajor Governmental Funds	<u>242,374</u>
Major Enterprise Funds:	
Waterworks/Sanitary Sewer	842,402
Solid Waste	536,371
Central Materials Processing Facility	20,023
Recreation	217,817
	<u>1,616,613</u>
Total	<u><u>\$ 9,240,577</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, 2014. Total police fines and court costs revenues for the fiscal year, which include fines and court costs related to traffic violations, totaled to \$1,802,296. The City's operating revenue (currently defined as total revenue of the General Fund from the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds less General Fund intergovernmental revenue and General Fund revenue for fines and forfeitures) equals \$27,526,876. The City's revenue from fines and forfeitures is 6.5% 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 Governmental Accounting Standards Board (GASB) is responsible for establishing generally accepted accounting principles (GAAP) for state and local governments.

CITY OF ST. PETERS, MISSOURI

Notes to Basic Financial Statements (continued)

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 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, 2014**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Revised Final Budget	Actual	
Revenues:				
Sales tax	\$ 13,493,000	\$ 13,100,000	\$ 13,087,001	\$ (12,999)
Property tax	6,913,300	6,913,300	7,062,295	148,995
Utility franchise tax	4,190,500	4,190,500	4,389,843	199,343
Cigarette tax	234,100	234,100	181,852	(52,248)
Licenses and permits	1,092,100	1,092,100	1,534,587	442,487
Interest	5,000	5,000	967	(4,033)
Intergovernmental	3,150,000	3,150,000	3,529,517	379,517
Fines and forfeitures	2,673,300	2,413,300	1,802,296	(611,004)
Charges for services	669,200	669,200	690,842	21,642
Miscellaneous	322,600	472,600	653,725	181,125
Total Revenues	32,743,100	32,240,100	32,932,925	692,825
Expenditures:				
General government	1,718,300	2,218,300	2,009,765	208,535
Administration	4,344,390	4,594,390	4,116,801	477,589
Police	12,724,480	12,724,480	11,957,985	766,495
Municipal court	461,610	461,610	443,018	18,592
Public works	2,117,800	2,117,800	1,918,150	199,650
Engineering	2,294,260	2,294,260	2,092,924	201,336
Maintenance	421,220	421,220	349,090	72,130
Health	698,450	698,450	618,156	80,294
Parks and recreation	5,089,125	5,101,125	4,633,969	467,156
Community relations	984,250	984,250	823,862	160,388
Community and arts	194,500	194,500	184,880	9,620
Capital outlay	989,190	1,019,190	918,648	100,542
Debt service:				
Principal	305,000	305,000	305,000	-
Interest and fiscal charges	72,100	72,100	71,881	219
Other	2,900	2,900	-	2,900
Total Expenditures	32,417,575	33,209,575	30,444,129	2,765,446
Revenues Over Expenditures	325,525	(969,475)	2,488,796	3,458,271
Other Financing Sources (Uses):				
Transfers in	-	-	84,713	84,713
Transfers out	(724,300)	(874,300)	(852,374)	21,926
Total Other Financing Sources (Uses)	(724,300)	(874,300)	(767,661)	106,639
Net Changes in Fund Balance	(398,775)	(1,843,775)	1,721,135	3,564,910
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	6,125,110	6,125,110	6,125,110	-
Transfer from (to) reserved	(2,500,000)	(2,656,558)	(2,758,684)	(102,126)
End of year	3,226,335	1,624,777	5,087,561	3,462,784
Reserved:				
Beginning of year	1,312,096	1,312,096	1,312,096	-
Transfer from (to) unreserved	2,500,000	2,656,558	2,758,684	102,126
End of Year	3,812,096	3,968,654	4,070,780	102,126
Budget basis, end of year	\$ 7,038,431	\$ 5,593,431	9,158,341	\$ 3,564,910
Encumbrances, end of year			436,714	
Property tax - deferred revenue, end of year			(253,344)	
GAAP basis, end of year			\$ 9,341,711	

CITY OF ST. PETERS, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION
BUDGET BASIS - TRANSPORTATION TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Revised</u>	<u>Actual</u>	
		<u>Final Budget</u>		
Revenues:				
Sales tax	\$ 6,746,500	\$ 6,550,000	\$ 6,543,499	\$ (6,501)
Interest	2,000	2,000	845	(1,155)
Intergovernmental	6,758,500	3,272,100	1,779,280	(1,492,820)
Miscellaneous	60,000	99,471	85,756	(13,715)
Total Revenues	<u>13,567,000</u>	<u>9,923,571</u>	<u>8,409,380</u>	<u>(1,514,191)</u>
Expenditures:				
Public works	5,211,990	5,145,490	4,671,770	473,720
Capital outlay	9,425,600	6,059,350	3,782,777	2,276,573
Debt service	775,000	775,000	772,595	2,405
Total Expenditures	<u>15,412,590</u>	<u>11,979,840</u>	<u>9,227,142</u>	<u>2,752,698</u>
Net Changes In Fund Balances	<u>(1,845,590)</u>	<u>(2,056,269)</u>	<u>(817,762)</u>	<u>1,238,507</u>
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	6,233,992	6,233,992	6,233,992	-
End of year	4,388,402	4,177,723	5,416,230	1,238,507
Reserved:				
Beginning of year	628,623	628,623	628,623	-
End of year	628,623	628,623	628,623	-
Budget basis, end of year	<u>\$ 5,017,025</u>	<u>\$ 4,806,346</u>	6,044,853	<u>\$ 1,238,507</u>
Budget basis grant revenue			(1,455,221)	
Encumbrances, end of year			3,088,149	
GAAP basis, end of year			<u>\$ 7,677,781</u>	

CITY OF ST. PETERS, MISSOURI

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON INFORMATION
BUDGET BASIS – LOCAL PARKS AND STORMWATER FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	<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	\$ 6,746,500	\$ 6,550,000	\$ 6,487,198	\$ (62,802)
Interest	2,000	2,000	403	(1,597)
Charges for services	11,000	11,000	9,234	(1,766)
Miscellaneous	307,000	322,000	294,179	(27,821)
Total Revenues	<u>7,066,500</u>	<u>6,885,000</u>	<u>6,791,014</u>	<u>(93,986)</u>
Expenditures:				
Public works	1,826,460	1,859,460	1,240,917	618,543
Parks and recreation	996,360	996,360	950,862	45,498
Capital outlay	2,538,280	3,625,606	2,695,969	929,637
Debt service	166,000	166,000	166,631	(631)
Total Expenditures	<u>5,527,100</u>	<u>6,647,426</u>	<u>5,054,379</u>	<u>1,593,047</u>
Revenues Over Expenditures	1,539,400	237,574	1,736,635	1,499,061
Other Financing Uses:				
Transfers out	(1,830,000)	(1,030,000)	(1,029,968)	32
Net Changes in Fund Balance	(290,600)	(792,426)	706,667	1,499,093
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	2,491,052	2,491,052	2,491,052	-
Transfers from (to) reserved	(700,000)	(1,500,000)	(1,500,000)	-
End of year	<u>1,500,452</u>	<u>198,626</u>	<u>1,697,719</u>	<u>1,499,093</u>
Reserved:				
Beginning of year	166,878	166,878	166,878	-
Transfers from (to) reserved	700,000	1,500,000	1,500,000	-
End of year	<u>866,878</u>	<u>1,666,878</u>	<u>1,666,878</u>	<u>-</u>
Budget basis, end of year	<u>\$ 2,367,330</u>	<u>\$ 1,865,504</u>	<u>3,364,597</u>	<u>\$ 1,499,093</u>
GAAP basis receivable			(180,577)	
Encumbrances, end of year			706,566	
GAAP basis, end of year			<u>\$ 3,890,586</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, 2014**

	<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	\$ 3,221,000	\$ 3,730,400	\$ 3,585,002	\$ (145,398)
Property tax	2,884,800	3,205,000	3,204,262	(738)
Utility franchise tax	5,000	5,000	4,752	(248)
Interest	-	11,900	11,836	(64)
Miscellaneous	-	269,000	200,000	(69,000)
Total Revenues	<u>6,110,800</u>	<u>7,221,300</u>	<u>7,005,852</u>	<u>(215,448)</u>
Expenditures:				
General government	70,000	5,338,000	5,246,280	91,720
Capital outlay	-	60,448	-	60,448
Debt service	1,553,700	1,799,700	1,799,728	(28)
Total Expenditures	<u>1,623,700</u>	<u>7,198,148</u>	<u>7,046,008</u>	<u>152,140</u>
Net Changes In Fund Balances	<u>4,487,100</u>	<u>23,152</u>	<u>(40,156)</u>	<u>(63,308)</u>
Fund Balances:				
Budget basis:				
Unreserved:				
Beginning of year	562,548	562,548	562,548	-
Transfers from (to) reserved	(4,487,100)	(585,700)	(506,928)	78,772
End of year	<u>562,548</u>	<u>-</u>	<u>15,464</u>	<u>15,464</u>
Reserved:				
Beginning of year	1,119,456	1,119,456	1,119,456	-
Transfers from (to) reserved	4,487,100	585,700	506,928	(78,772)
End of year	<u>5,606,556</u>	<u>1,705,156</u>	<u>1,626,384</u>	<u>(78,772)</u>
Budget basis, end of year	<u>\$ 6,169,104</u>	<u>\$ 1,705,156</u>	<u>1,641,848</u>	<u>\$ (63,308)</u>
Encumbrances, end of year			<u>-</u>	
GAAP basis, end of year			<u>\$ 1,641,848</u>	

CITY OF ST. PETERS, MISSOURI

**NOTES TO BUDGETARY COMPARISON INFORMATION
SEPTEMBER 30, 2014**

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 a deferred inflow of resources. 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, 2014**

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, 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%
February 28, 2014	\$64,773,493	\$80,725,048	\$15,951,555	80%	\$24,441,221	65%

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, 2014**

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) Unfunded Actuarial Accrued Liability (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
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%
09/30/14	10/01/12	\$ 9,924,000	\$ 25,156,000	\$ 15,232,000	39.4%	\$25,049,887	60.81%

Schedule of Employer Contributions:

Year Ended September 30,	Annual Required Contribution	Percentage Contributed
2012	\$ 2,506,429	17.12%
2013	\$ 1,921,000	51.74%
2014	\$ 2,059,000	56.87%

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.

CITY OF ST. PETERS, MISSOURI

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014**

	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	Total
			Old Town	Lakeside Redevelop- ment				
Assets:								
Cash and cash investments:								
Unrestricted	\$ 848,090	\$ 252,693	\$ 3,579,186	\$ 653,798	\$ -	\$ -	\$ 2,401	\$ 5,336,168
Receivables, net of allowances where applicable:								
Taxes	-	-	-	4,788	-	-	-	4,788
Intergovernmental	-	-	-	-	9,328	36,331	-	45,659
Other	4,168	1,381	11,361	-	173,585	-	9,620	200,115
Long-term receivables	-	-	-	-	200,417	446,956	-	647,373
Inventory and prepaid items	11	-	-	-	-	-	-	11
Total Assets	\$ 852,269	\$ 254,074	\$ 3,590,547	\$ 658,586	\$ 383,330	\$ 483,287	\$ 12,021	\$ 6,234,114
Liabilities, Deferred Inflows of Resources and Fund Balances:								
Liabilities:								
Accounts payable	\$ 88,743	\$ 65,022	\$ 289,058	\$ 22,364	\$ 72	\$ 8,356	\$ -	\$ 473,615
Accrued liabilities	6,232	-	-	-	-	-	-	6,232
Deposits/guarantee bonds	3,300	-	-	-	-	-	-	3,300
Due to other funds	71	46	-	294,808	9,256	27,975	-	332,156
Total Liabilities	98,346	65,068	289,058	317,172	9,328	36,331	-	815,303
Deferred Inflows of Resources:								
Unavailable revenues - special assessments	-	-	-	-	-	-	11,420	11,420
Fund Balances:								
Nonspendable	11	-	-	-	-	-	-	11
Restricted for:								
Sewer lateral projects	753,912	-	-	-	-	-	-	753,912
Special allocation projects	-	-	3,301,489	341,414	-	-	-	3,642,903
Grants	-	-	-	-	374,002	446,956	-	820,958
Debt service	-	-	-	-	-	-	601	601
Water line repair projects	-	189,006	-	-	-	-	-	189,006
Total Fund Balances	753,923	189,006	3,301,489	341,414	374,002	446,956	601	5,407,391
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 852,269	\$ 254,074	\$ 3,590,547	\$ 658,586	\$ 383,330	\$ 483,287	\$ 12,021	\$ 6,234,114

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, 2014**

	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	Total
			Old Town	Lakeside Redevelop- ment				
Revenues:								
Sales tax	\$ -	\$ -	\$ 914,687	\$ 109	\$ -	\$ -	\$ -	\$ 914,796
Property tax	-	-	623,979	146,636	-	-	-	770,615
Interest	119	26	8,122	47,298	-	-	-	55,565
Intergovernmental	-	-	-	-	20,858	210,064	-	230,922
Charges for services	548,238	222,924	-	-	-	-	-	771,162
Miscellaneous	-	-	-	-	-	-	6,976	6,976
Total Revenues	548,357	222,950	1,546,788	194,043	20,858	210,064	6,976	2,750,036
Expenditures:								
General government	-	-	299,649	7,053	153,621	52,181	-	512,504
Public works	793,539	171,525	14,123	-	-	-	-	979,187
Capital outlay	-	-	312,602	290,000	-	-	-	602,602
Debt service:								
Principal retirement	-	-	-	-	-	-	6,000	6,000
Interest	-	-	-	-	-	-	738	738
Other	-	-	-	2,500	-	-	345	2,845
Total Expenditures	793,539	171,525	626,374	299,553	153,621	52,181	7,083	2,103,876
Net Changes In Fund Balances	(245,182)	51,425	920,414	(105,510)	(132,763)	157,883	(107)	646,160
Fund Balances:								
Beginning of year	999,105	137,581	2,381,075	446,924	506,765	289,073	708	4,761,231
End of year	\$ 753,923	\$ 189,006	\$ 3,301,489	\$ 341,414	\$ 374,002	\$ 446,956	\$ 601	\$ 5,407,391

CITY OF ST. PETERS, MISSOURI

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

Page 1 of 2

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550,000	\$ 914,687	\$ 364,687
Property tax	-	-	-	-	-	-	590,400	623,979	33,579
Interest	5,000	119	(4,881)	-	26	26	5,000	8,122	3,122
Charges for services	525,000	548,238	23,238	223,000	222,924	(76)	-	-	-
Total Revenues	530,000	548,357	18,357	223,000	222,950	(50)	1,145,400	1,546,788	401,388
Expenditures:									
General government	-	-	-	-	-	-	310,000	299,649	10,351
Public works	844,100	800,405	43,695	223,000	185,469	37,531	-	79,830	(79,830)
Capital outlay	-	-	-	-	-	-	2,748,324	268,105	2,480,219
Total Expenditures	844,100	800,405	43,695	223,000	185,469	37,531	3,058,324	647,584	2,410,740
Net Changes in Fund Balance	(314,100)	(252,048)	62,052	-	37,481	37,481	(1,912,924)	899,204	2,812,128
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	845,526	845,526	-	135,303	135,303	-	2,136,578	2,136,578	-
End of year	531,426	593,478	62,052	135,303	172,784	37,481	223,654	3,035,782	2,812,128
Reserved:									
Beginning of year	-	-	-	-	-	-	-	200,000	200,000
End of year	-	-	-	-	-	-	-	200,000	200,000
Budget basis, end of year	<u>\$ 531,426</u>	<u>593,478</u>	<u>\$ 62,052</u>	<u>\$ 135,303</u>	<u>172,784</u>	<u>\$ 37,481</u>	<u>\$ 223,654</u>	<u>3,235,782</u>	<u>\$ 3,012,128</u>
Budget basis grant revenue		-			-			-	
Encumbrances, end of year		160,445			16,222			65,707	
GAAP basis, end of year		<u>\$ 753,923</u>			<u>\$ 189,006</u>			<u>\$ 3,301,489</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 2

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

	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	\$ -	\$ 109	\$ 109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax	144,000	146,636	2,636	-	-	-	-	-	-
Interest	-	47,298	47,298	-	-	-	-	-	-
Intergovernmental	-	-	-	34,170	20,858	(13,312)	307,900	210,064	(97,836)
Total Revenues	144,000	194,043	50,043	34,170	20,858	(13,312)	307,900	210,064	(97,836)
Expenditures:									
General government	5,000	7,053	(2,053)	34,170	20,858	13,312	307,900	210,064	97,836
Capital outlay	300,000	290,000	10,000	-	-	-	-	-	-
Debt service	5,000	2,500	2,500	-	-	-	-	-	-
Total Expenditures	310,000	299,553	10,447	34,170	20,858	13,312	307,900	210,064	97,836
Net Changes in Fund Balance	(166,000)	(105,510)	60,490	-	-	-	-	-	-
Fund Balances:									
Budget basis:									
Unreserved:									
Beginning of year	446,924	446,924	-	-	-	-	-	-	-
Transfers from (to) reserved	(1,000)	(4,905)	(3,905)	-	-	-	-	-	-
End of year	279,924	336,509	56,585	-	-	-	-	-	-
Reserved:									
Beginning of year	-	-	-	-	-	-	-	-	-
Transfers from (to) reserved	1,000	4,905	3,905	-	-	-	-	-	-
End of year	1,000	4,905	3,905	-	-	-	-	-	-
Budget basis, end of year	<u>\$ 280,924</u>	<u>341,414</u>	<u>\$ 60,490</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
GAAP basis receivable					374,002			446,956	
Encumbrances, end of year									
GAAP basis, end of year		<u>\$ 341,414</u>			<u>\$ 374,002</u>			<u>\$ 446,956</u>	

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, 2014**

	Debt Service Fund		
	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Property tax	\$ 1,503,200	\$ 1,524,502	\$ 21,302
Interest	10,000	798	(9,202)
Miscellaneous	3,000	4,829	1,829
Total Revenues	<u>1,516,200</u>	<u>1,530,129</u>	<u>13,929</u>
Expenditures:			
Debt service	3,200,250	3,169,625	30,625
Total Expenditures	<u>3,200,250</u>	<u>3,169,625</u>	<u>30,625</u>
Revenues Under Expenditures	(1,684,050)	(1,639,496)	44,554
Other Financing Sources:			
Transfers in	1,104,300	1,108,968	4,668
Net Changes in Fund Balance	<u>(579,750)</u>	<u>(530,528)</u>	<u>49,222</u>
Fund Balances:			
Budget basis:			
Unreserved:			
Beginning of year	2,242,869	2,242,869	-
End of year	1,663,119	1,712,341	49,222
Budget basis, end of year	<u>\$ 1,663,119</u>	<u>1,712,341</u>	<u>\$ 49,222</u>
Property tax - deferred revenue, end of year		(77,913)	
GAAP basis, end of year		<u>\$ 1,634,428</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, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Water and sewer	\$ 9,457,500	\$ 9,241,609	\$ (215,891)
Interest	1,300	462	(838)
Miscellaneous	1,462,900	1,573,647	110,747
Total Revenues	10,921,700	10,815,718	(105,982)
Expenses:			
Personnel costs	4,298,615	3,804,513	494,102
Utilities	677,300	683,412	(6,112)
Purchased water	822,000	745,530	76,470
Wastewater treatment costs	83,500	107,799	(24,299)
Repairs and maintenance	710,050	714,235	(4,185)
Chemicals and supplies	386,600	361,714	24,886
Professional services	401,500	341,210	60,290
Supplies and other	284,850	183,097	101,753
Insurance	44,000	171,200	(127,200)
Gasoline and fuel	153,300	130,056	23,244
Rent	8,000	6,278	1,722
Miscellaneous	729,200	766,120	(36,920)
Total Expenses	8,598,915	8,015,164	583,751
Net Revenues Before Capital Revenues (Expenditures) and (Debt Service and Fees)	2,322,785	2,800,554	477,769
Capital Revenues	247,803	269,020	21,217
Capital Expenditures	(1,046,535)	(936,238)	110,297
Debt Service and Fees	(1,998,000)	(1,993,780)	4,220
Net Changes in Net Position	(473,947)	139,556	613,503
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	1,409,859	1,409,859	-
Transfers from (to) reserved	(93,400)	(93,333)	67
End of year	842,512	1,456,082	613,570
Reserved:			
Beginning of year	1,932,417	1,932,417	-
Transfers from (to) reserved	93,400	93,333	(67)
End of year	2,025,817	2,025,750	(67)
Budget basis, end of year	\$ 2,868,329	\$ 3,481,832	\$ 613,503

* 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, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Trash collection	\$ 4,605,500	\$ 4,750,440	\$ 144,940
Miscellaneous	154,100	186,275	32,175
Interest	26,700	169	(26,531)
Total Revenues	4,786,300	4,936,884	150,584
Expenses:			
Personnel costs	2,396,840	2,155,308	241,532
Utilities	47,700	46,973	727
Disposal fees	1,023,900	1,022,430	1,470
Repairs and maintenance	297,400	280,336	17,064
Capital expenditures	1,377,400	1,359,783	17,617
Chemicals and supplies	5,000	442	4,558
Professional services	17,180	19,973	(2,793)
Supplies and other	56,550	57,191	(641)
Insurance	25,000	33,333	(8,333)
Gasoline and fuel	297,000	285,262	11,738
Rent	1,750	1,240	510
Miscellaneous	635,200	604,425	30,775
Total Expenses	6,180,920	5,866,696	314,224
Net Changes in Net Position	(1,394,620)	(929,812)	464,808
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	1,259,127	1,259,127	-
Transfers from (to) reserved	964,365	714,365	(250,000)
End of year	828,872	1,043,680	214,808
Reserved:			
Beginning of year	964,365	964,365	-
Transfers from (to) reserved	(964,365)	(714,365)	250,000
End of year	-	250,000	250,000
Budget basis, end of year	\$ 828,872	\$ 1,293,680	\$ 464,808

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, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Tipping fees	\$ 1,874,100	\$ 1,911,953	\$ 37,853
Recycling fees	1,431,700	1,287,985	(143,715)
Earth Centre	350,500	362,152	11,652
Interest	1,500	106	(1,394)
Miscellaneous	25,200	31,020	5,820
Total Revenues	3,683,000	3,593,216	(89,784)
Expenses:			
Personnel costs	1,892,515	1,743,371	149,144
Disposal fees	985,000	996,152	(11,152)
Utilities	51,300	45,329	5,971
Capital expenditures	238,240	82,242	155,998
Professional services	70,450	35,368	35,082
Repairs and maintenance	108,900	127,069	(18,169)
Insurance	19,000	20,095	(1,095)
Gasoline and fuel	42,500	38,354	4,146
Supplies and other	692,130	633,176	58,954
Total Expenses	4,100,035	3,721,156	378,879
Net Changes in Net Position	(417,035)	(127,940)	289,095
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	772,393	772,393	-
End of year	355,358	644,453	289,095
Reserved:			
Beginning of year	175,000	175,000	-
End of year	175,000	175,000	-
Budget basis, end of year	\$ 530,358	\$ 819,453	\$ 289,095

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, 2014**

	Revised Final Budget	Actual	Variance With Final Budget - Positive (Negative)
Revenues:			
Recreation	\$ 6,687,625	\$ 6,385,330	\$ (302,295)
Interest	1,100	2,372	1,272
Total Revenues	6,688,725	6,387,702	(301,023)
Expenses:			
Personnel costs	3,734,285	3,574,885	159,400
Utilities	938,500	877,003	61,497
Repairs and maintenance	218,000	232,237	(14,237)
Capital expenditures	428,885	401,211	27,674
Chemicals and supplies	90,300	70,158	20,142
Professional services	173,850	141,403	32,447
Supplies and other	339,620	323,811	15,809
Concessions	256,300	214,037	42,263
Insurance	45,000	47,941	(2,941)
Gasoline and fuel	34,900	30,134	4,766
Miscellaneous	65,800	89,889	(24,089)
Total Expenses	6,325,440	6,002,709	322,731
Net Revenues Before Debt Service and Fees	363,285	384,993	21,708
Debt Service and fees	1,369,500	1,352,809	16,691
Revenues Under Expenses	(1,006,215)	(967,816)	38,399
Other Financing Sources:			
Transfers in	800,000	773,374	(26,626)
Net Changes in Net Position	(206,215)	(194,442)	11,773
Net Position:			
Budget basis:			
Unreserved:			
Beginning of year	299,882	299,882	-
Transfers from (to) reserved	(80,480)	196,235	276,715
End of year	13,187	301,675	288,488
Reserved:			
Beginning of year	1,032,240	1,032,240	-
Transfers from (to) reserved	80,480	(196,235)	(276,715)
End of year	1,112,720	836,005	(276,715)
Budget basis, end of year	\$ 1,125,907	\$ 1,137,680	\$ 11,773

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.

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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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 257,684,628
Restricted for capital projects	7,119,355	14,774,979	8,176,260	8,502,836	5,922,228	6,768,629	-	-	-	-
Restricted for debt service	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	4,040,752
Restricted for other purposes	-	-	-	-	-	-	12,934,040	11,327,525	14,321,977	15,062,285
Unrestricted	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)	(2,053,870)
Total governmental activities net position	\$ 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	\$ 274,733,795
Business-type activities										
Net investment in capital assets	\$ 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	\$ 48,590,611
Restricted for capital projects	-	-	3,363,721	-	-	-	-	-	-	-
Restricted for debt service	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	852,012
Unrestricted	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	10,332,116
Total business-type activities net position	\$ 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	\$ 59,774,739
Primary government										
Net investment in capital assets	\$ 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	\$ 306,275,239
Restricted for capital projects	7,119,355	14,774,979	11,539,981	8,502,836	5,922,228	6,768,629	-	-	-	-
Restricted for debt service	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	4,892,764
Restricted for other purposes	-	-	-	-	-	-	12,934,040	11,327,525	14,321,977	15,062,285
Unrestricted	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	8,278,246
Total primary government net position	\$ 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	\$ 334,508,534

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 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	\$ 8,086,574
Administration	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	4,566,965
Police	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	13,217,760
Municipal court	355,325	360,009	369,667	417,285	443,602	469,464	451,384	420,486	436,179	463,094
Public works	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	18,345,680
Engineering	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	2,274,286
Maintenance	729,378	967,257	756,069	727,250	749,630	788,172	465,034	254,551	331,483	391,037
Health	577,925	582,359	581,024	709,702	602,498	615,783	731,504	764,863	755,145	806,137
Parks and Recreation	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	6,609,149
Community Relations	826,583	876,912	960,770	962,461	1,009,804	1,007,998	983,171	1,010,835	996,207	969,256
Community & Arts	290,478	256,880	268,835	277,631	280,512	290,368	243,961	265,196	263,590	265,679
Community Development	-	-	-	-	-	963,000	-	-	-	-
Interest on long term debt	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	2,536,740
Total governmental activities expenses	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	58,532,357
Business-type activities:										
Waterworks/Sanitary Sewer	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	12,098,460
Solid Waste	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	6,073,236
Public improvement corporation	1,156,686	1,100,309	840,568	608,613	529,810	503,638	157,303	-	-	-
Central Materials Processing Facility	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	3,933,581
Recreation	-	-	6,122,627	6,453,216	7,038,214	7,884,369	8,121,280	8,387,854	8,012,989	8,484,246
Total business-type activities expenses	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	30,589,523
Total primary government expenses	\$ 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	\$ 89,121,880
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 1,764,671
Administration	-	-	-	-	-	-	-	-	-	-
Police	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	2,076,717
Municipal court	-	-	-	-	-	-	-	-	-	-
Public works	516,937	718,062	524,412	540,181	544,287	522,200	527,210	541,192	776,759	789,557
Engineering	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-	-
Health	11,652	21,400	20,359	22,425	21,314	20,182	18,477	14,923	17,244	16,882
Parks and recreation	3,331,353	3,743,865	26,730	25,851	25,585	8,640	9,113	9,715	8,433	9,234
Community relations	94,279	90,591	92,471	72,887	-	-	-	-	-	-
Community & Arts	123,875	124,970	114,390	177,196	172,413	176,380	208,539	255,755	254,325	240,879
Operating grants and contributions	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	3,763,445
Capital grants and contributions	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	5,207,464
Total governmental activities program revenues	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	13,868,849
Business-type activities:										
Charges for services:										
Waterworks/Sanitary sewer	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	11,892,010
Solid waste	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	4,940,437
Public improvement corporation	-	-	844,102	819,785	849,680	555,071	-	-	-	-
Central materials processing facility	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	3,593,729
Recreation	-	-	3,656,297	4,608,748	5,147,064	5,896,515	6,092,237	6,384,230	6,356,701	6,385,330
Operating grants and contributions	1,293,479	1,255,040	-	-	-	-	-	-	-	-
Capital grants and contributions	530,759	234,097	559,515	137,719	719,510	588,320	3,659,979	1,547,224	614,710	95,307
Total business-type activities program revenues	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	26,906,813
Total primary government program revenues	\$ 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	\$ 40,775,662

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (44,663,508)
Business-type activities	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)	(3,682,710)
Total primary government net expense	\$ (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)	\$ (48,346,218)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	\$ 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	\$ 7,062,295
Property taxes levied for debt service	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	1,524,502
Property taxes levied for tax increment financing districts	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	3,974,877
Sales taxes levied for general purposes	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	13,087,001
Sales taxes levied for transportation purposes	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	6,543,499
Sales taxes levied for Park and Storm Water purposes	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	6,487,198
Sales taxes levied for Tax increment Financing Districts	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	4,499,798
Tourism	-	-	-	-	-	-	-	32,224	121,487	123,374
Franchise and public service taxes	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	4,576,446
Sewer lateral repair fee	-	-	-	-	-	-	-	-	-	-
Earnings on investments	794,416	2,220,645	2,095,392	1,488,010	286,808	110,734	55,642	22,164	35,882	70,805
Other revenue	516,637	1,423,234	2,388,254	514,882	912,057	553,445	3,571,682	398,845	538,000	918,616
Gain (loss) on sale of security	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Capital Assets	-	20,328,060	66,490	-	17,541	20,981	69,326	-	103,457	65,068
Transfers	61,000	72,500	238,193	(10,924,454)	(810,000)	1,166,259	(12,933,570)	(1,452,908)	(427,927)	(2,801,711)
Total governmental activities	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	46,131,768
Business-type activities:										
Earnings on investments	406,121	759,658	1,462,516	763,109	134,044	35,355	35,074	12,824	1,188	3,298
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	5,501
Transfers	(61,000)	(72,500)	(238,193)	10,924,454	810,000	(1,166,259)	6,063,303	1,452,908	427,927	2,801,711
Total business-type activities	345,121	889,574	1,282,342	12,042,597	950,008	(1,098,964)	6,069,681	1,479,042	1,415,870	2,810,510
Total primary government	\$ 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	\$ 596,060
Change in Net Position										
Governmental activities	\$ 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	\$ 1,468,260
Business-type activities	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)	(872,200)
Total primary government	\$ 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	\$ 596,060

Note: Prior period adjustments are related to - fiscal year 2006 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, fiscal year 2014 the City implemented GASB 65.

Source: Basic financial statements.

CITY OF ST. PETERS, MISSOURI

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved for encumbrances	\$ 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	223,173	85,286	110,267	163,783	183,839	187,529	-	-	-	-
Reserved for inventory/prepaid	873,131	796,763	725,590	799,721	846,257	828,933	-	-	-	-
Reserved for other projects	780,609	524,527	694,980	479,904	2,160,448	389,628	-	-	-	-
Unreserved	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	999,339
Restricted for:										
Transportation	-	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Sewer lateral projects	-	-	-	-	-	-	-	-	-	-
Special allocation projects	-	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	545,587	545,587	87,005	87,004
Local parks and stormwater	-	-	-	-	-	-	-	-	-	-
Police services	-	-	-	-	-	-	227,169	226,656	230,348	380,048
Tourism	-	-	-	-	-	-	-	32,224	-	-
Committed:										
Contingency Reserve	-	-	-	-	-	-	-	-	-	2,500,000
Assigned for:										
Encumbrances	-	-	-	-	-	-	384,335	404,714	334,787	436,714
Subsequent year budget	-	-	-	-	-	-	1,597,435	952,890	398,775	479,140
Capital projects	-	-	-	-	-	-	541,388	499,663	564,291	660,236
Unassigned	-	-	-	-	-	-	683,136	1,111,573	5,014,095	3,799,230
Total General Fund	\$ 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	\$ 9,341,711

CITY OF ST. PETERS, MISSOURI

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
All Other Governmental Funds										
Reserved for encumbrances	\$ 4,865,217	\$ 3,936,558	\$ 3,559,764	\$ 7,938,066	\$ 4,109,188	\$ 8,490,996	\$ -	\$ -	\$ -	\$ -
Reserved for capital improvements	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	27,087	23,506	2,602	3,300	38,036	3,800	-	-	-	-
Reserved for long-term receivables	727,514	796,767	1,001,353	806,132	700,569	695,926	-	-	-	-
Reserved for other projects	-	-	3,276,765	-	-	-	-	-	-	-
Unreserved, reported in										
Special revenue funds	11,268,978	16,299,128	16,492,467	9,311,290	10,894,991	4,437,401	-	-	-	-
Debt service funds	2,847,740	1,307,849	2,396,237	3,458,563	3,669,646	3,197,773	-	-	-	-
Capital projects funds	22,598,170	5,907,073	280,116	20,915,453	16,635,365	10,209,589	-	-	-	-
Nonspendable	-	-	-	-	-	-	3,800	19,200	26,445	49,302
Restricted for:										
Transportation	-	-	-	-	-	-	7,015,173	6,125,178	6,843,476	7,000,039
Capital projects	-	-	-	-	-	-	2,028,013	225,942	-	-
Sewer lateral projects	-	-	-	-	-	-	1,285,630	1,092,775	999,105	753,912
Water line repair projects	-	-	-	-	-	-	-	-	137,581	189,006
Special allocation projects	-	-	-	-	-	-	2,050,275	1,695,473	3,390,546	3,658,366
Grants	-	-	-	-	-	-	857,750	795,955	795,838	820,958
Debt service	-	-	-	-	-	-	4,037,106	4,278,422	4,071,799	4,056,946
Local parks and stormwater	-	-	-	-	-	-	1,818,695	1,856,340	3,193,945	3,723,505
Stormwater projects	-	-	-	-	-	-	-	-	3,470,173	9,904,668
Assigned for capital projects	-	-	-	-	-	-	1,135,470	954,362	639,110	892,285
Total all other governmental funds	\$ 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	\$ 31,048,987

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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Sales tax (1)	\$ 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	\$ 30,617,497
Property tax (2)	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	12,582,607
Utility franchise tax	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	4,394,595
Special Assessment	-	215,839	-	-	-	-	-	-	-	-
Cigarette tax	189,403	203,416	231,216	254,592	230,091	223,484	215,450	204,810	189,148	181,852
Licenses and permits	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	1,534,587
Interest	794,421	2,220,644	2,095,392	1,488,010	286,808	110,734	55,643	22,163	35,883	70,803
Intergovernmental	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	4,536,347
Fines and Forfeitures	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	1,802,296
Charges for Services	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	1,471,238
Miscellaneous	860,653	1,779,408	2,322,571	451,120	773,329	367,352	3,834,808	530,021	815,047	1,156,036
Total revenues	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	58,347,858
Expenditures										
General government	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	7,763,595
Administration	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	4,124,185
Police	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	11,963,592
Municipal court	353,214	359,395	366,373	413,865	439,981	463,630	425,757	393,933	414,265	443,018
Public works	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	8,571,245
Engineering	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	2,092,877
Maintenance	709,484	713,904	703,345	710,878	729,093	771,310	411,365	191,244	284,120	346,799
Health	561,370	557,632	555,176	681,640	588,106	586,799	517,257	552,634	556,075	618,089
Parks and Recreation	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	5,618,086
Community relations	802,542	799,077	787,641	889,931	945,554	925,874	822,657	846,632	854,999	823,337
Community & arts	212,512	180,085	187,634	198,067	200,287	212,144	161,354	182,730	185,330	184,880
Community Development	-	-	-	-	-	963,000	-	-	-	-
Capital outlay	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	9,407,725
Debt service										
Principal retirement	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	4,103,000
Interest and arbitrage rebate	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	2,149,680
Payment to escrow agent	-	-	-	-	-	141,255	197,604	-	-	-
Other	52,017	56,082	74,425	59,837	60,693	174,914	209,418	56,433	103,864	136,911
Total expenditures	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	58,347,019
Excess of revenues over (under) expenditures	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	839
Other Financing Sources (Uses)										
Transfers in	2,467,132	350,000	847,275	7,212,077	7,964,523	7,756,444	2,711,733	504,624	2,105,049	1,193,681
Transfers out	(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)	(1,967,055)
Proceeds from sale of capital assets	-	24,600,000	156,395	25,013,532	3,452	34,357	140,360	24,289	185,659	89,428
Issuance of debt	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	9,675,000
Payments to escrow agent	-	(22,500,000)	-	-	-	(168,207)	(5,094,651)	-	(1,700,000)	-
Bond premium	-	-	-	-	-	8,990	-	-	129,687	324,216
Bond discount	-	-	(60,637)	(189,771)	-	(2,472,340)	(9,185)	-	-	-
Total other financing sources (uses)	22,561,000	2,225,200	726,672	43,529,307	5,343,452	10,592,368	702,211	(790,711)	4,590,456	9,315,270
Net change in fund balances	\$ 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	\$ 9,316,109
Total expenditures	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	58,347,019
Debt service	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	6,252,680
Capital outlay	(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)	(9,407,725)
Capital expenditures from functional categories	(1,070,991)	(1,733,562)	-	(4,189,580)	(2,908,965)	(5,098,067)	5,707,407	(314,903)	(291,335)	1,504,969
Debt service as a percentage of noncapital expenditures	9.0%	10.1%	8.4%	10.9%	19.6%	25.0%	18.0%	14.3%	13.3%	12.4%

(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
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%
2014	572,625,150	270,341,208	496,077	164,687,681	1,008,150,116	4,356,829,872	0.7700	23.14%

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				
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	
2014	0.6282	0.1418	0.7700	4.8438	5.1359	5.3848	0.2041	0.2196	1.4834	

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	2014			2005		
	Assessed Value	Rank	Percentage of Total Assessed Valuation(1)	Assessed Value	Rank	Percentage of Total Assessed Valuation(2)
Mid Rivers Mall LLC	\$ 18,798,346	1	1.86%	\$ -	-	-
Airwick Industries, Inc.	12,327,543	2	1.22%	13,791,902	2	1.61%
Turnberry Apartments LLC	5,632,046	3	0.56%	4,469,150	4	0.52%
94 Crossing LLC	4,992,772	4	0.50%	3,930,370	5	0.46%
Walmart Real Estate Business Trust	3,918,506	5	0.39%	-	-	-
SSM Properties, Inc.	3,889,489	6	0.39%	3,600,380	7	0.42%
Costco Wholesale Corp (3)	3,631,829	7	0.36%	6,420,656	3	0.75%
Jungs Station Association	3,441,948	8	0.34%	3,069,080	10	0.36%
Grewe Limited Partnership	3,223,682	9	0.32%	-	-	-
79 Crossing LLC	3,137,024	10	0.31%	-	-	-
Westfield America of MO Inc.	-	-	-	22,518,300	1	2.62%
TKG St. Peters Shopping Center LLC	-	-	-	3,464,320	6	0.40%
May Department Stores	-	-	-	3,172,390	8	0.37%
Wentzway Corp.	-	-	-	3,114,300	9	0.36%

Notes:

- (1) Based on calendar year 2013 assessed valuation equal to \$1,008,150,116
- (2) Based on calendar year 2004 assessed valuation equal to \$858,143,527
- (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
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%	151	8,063	99.86%
2011	8,099	7,937	98.00%	154	8,091	99.90%
2012	7,955	7,690	96.67%	253	7,943	99.85%
2013	7,982	7,822	98.00%	139	7,961	99.74%
2014	7,851	7,743	98.62%	-	7,743	98.62%

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Sales Tax Collected For General Purposes	\$ 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	\$ 13,087,001
Sales Tax Collected For Transportation Purposes	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	6,543,500
Sales Tax Collected For Park and Storm Water Purposes	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	6,487,198
Total Direct Sales Tax Collected	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	26,117,699
City direct sales tax rate	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	1.60%	2.00%	2.00%
Sales Tax Collected For Tax Increment Financing - City Centre	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	3,585,002
Sales Tax Collected For Tax Increment Financing - Old Town	408,710	526,909	412,015	305,890	293,800	352,787	307,763	305,410	860,268	914,687
Sales Tax Collected For Tax Increment Financing - Lakeside 370	6,333	6,511	6,350	5,835	3,370	79	8	46	74	109
Total Tax Collected for Tax Increment Financing	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	4,499,798
Total Sales Tax Collected	\$ 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	\$ 30,617,497

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
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%
2014	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		
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
2014	44,655,000	12,700	3,717,000	13,305,000	10,155,000	37,240,000	16,250,000	-	125,334,700	2,384

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)
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
2014	44,667,700	1,634,428	43,033,272	0.77%	818.51

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, 2014**

Jurisdiction	Debt Outstanding	Percentage Applicable to St. Peters	Share of Debt Applicable to St. Peters
Debt repaid with property taxes:			
St. Charles County*	\$ 4,489,000	14.40%	\$ 646,416
St. Charles County Ambulance District	7,155,000	14.40%	1,030,320
Central County Fire and Rescue	4,845,000	68.10%	3,299,445
St. Charles County Community College	33,265,000	14.48%	4,816,772
St. Charles School District R-VI	28,862,412	6.60%	1,904,919
Fort Zumwalt School District R-II	138,355,046	26.58%	36,774,771
Francis Howell School District	152,222,861	19.76%	30,079,237
Other Debt:			
St. Charles County	40,525,000	14.40%	5,835,600
St. Charles Community College	1,475,000	14.48%	213,580
Central County Fire & Rescue	1,980,000	68.10%	1,348,380
St. Charles School District R-VI	879,094	6.60%	58,020
Subtotal Overlapping Debt	\$ 414,053,413		\$ 86,007,461
City's direct debt*			71,844,700
Total direct and overlapping debt			\$ 157,852,161

* 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	\$ 1,008,150,116	\$ 1,008,150,116
Debt Limit - 10% off assessed valuation	100,815,012	100,815,012
Amount of debt applicable to debt limit		
Total general obligation debt	44,667,700	-
Less: Amount available in debt service fund	(1,634,428)	-
Net bond indebtedness applicable to debt limit	43,033,272	-
Legal debt margin	\$ 57,781,740	\$ 100,815,012

City Purposes Basic Limit	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 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	\$ 100,815,012
Total net debt applicable to limit	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	43,033,272
Legal Debt Margin	\$ 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	\$ 57,781,740
Total net debt applicable to the limit as a % of debt limit	53.97%	24.67%	21.31%	37.83%	34.57%	30.17%	32.48%	31.60%	33.42%	42.69%

Street and Sewer Additional Limit	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 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	\$ 1,008,150,116
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 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	\$ 1,008,150,116
Total net debt applicable to the limit as a % of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Source: Notes to the Financial Statements

CITY OF ST. PETERS, MISSOURI

**PLEDGED-REVENUE 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	
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
2014	11,892,010	(8,253,530)	3,638,480	1,795,000	197,589	1.83	6,738	6,000	976	0.97

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
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	5.40%
2014	52,575	40,856	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, 2014**

	2014			2005		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Barnes St. Peters Hospital	970	1	3.1%	612	1	1.8%
Fort Zumwalt School District R-11	709	2	2.3%	534	2	1.6%
City of St. Peters	550	3	1.8%	501	3	1.5%
Dierbergs (2 locations)	353	4	1.1%	-	-	-
Wal-mart Stores Inc.	351	5	1.1%	-	-	-
Francis Howell School District R-III	347	6	1.1%	197	7	0.6%
Schnucks	256	7	0.8%	201	6	0.6%
Menards	230	8	0.7%	-	-	-
Boone Center Inc.	210	9	0.7%	189	8	0.6%
RB Manufacturing (formerly Reckett & Benchkiser)	200	10	0.6%	400	4	1.2%
Continental Sprayers	-	-	-	247	5	0.7%
United Services Inc	-	-	-	150	9	0.4%
Woodbridge Foam Manufacturing	-	-	-	134	10	0.4%
	4,176		13.5%	3,165		9.4%

Note: Percentage of Total City Employment was based on the employed labor force of 30,869 for September 2014 and 33,813 for September 2005. Labor force statistics are unofficial estimates from the Missouri Economic Research and Information Center.

Source: St. Peters Business License Office.

Should be noted that some business do not complete the number of employee section of their application.

CITY OF ST. PETERS, MISSOURI

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function/Program										
Governmental Activities:										
General Government	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90	7.90
Administration	48.70	47.40	47.40	44.30	47.30	47.30	46.30	46.79	46.79	47.80
Police	108.70	109.00	110.00	111.50	113.20	114.50	116.20	115.50	115.50	115.05
Municipal Court	5.40	5.40	5.40	5.40	5.40	5.40	5.40	6.44	6.44	6.44
Public Works	46.20	36.95	36.45	40.20	40.20	41.00	41.50	32.88	40.38	41.58
Engineering	29.00	32.00	33.00	32.70	32.00	31.70	29.50	32.22	23.02	22.66
Maintenance	9.70	8.60	9.60	9.60	9.60	9.60	9.10	9.20	8.86	8.86
Health	8.60	7.80	8.40	8.90	8.15	8.15	8.30	8.88	8.58	8.13
Parks and Recreation	137.10	136.40	58.40	65.20	66.20	66.10	70.00	69.68	70.40	72.69
Communications	9.00	9.00	9.00	9.00	9.70	9.70	9.70	10.70	9.63	9.63
Community & Arts	4.80	3.80	3.80	2.40	2.40	2.40	2.40	2.44	2.44	2.44
Business-Type Activities:										
Waterworks/Sanitary Sewer	42.40	42.40	43.50	46.40	46.90	47.20	47.90	46.80	46.80	46.80
Solid Waste	24.10	24.60	26.70	26.60	26.85	27.20	27.50	26.05	26.55	26.55
Central Materials Processing Facility	27.50	27.30	24.30	25.20	25.45	25.50	25.10	24.61	24.61	26.05
Recreation	-	-	78.40	80.10	80.80	90.40	106.00	105.45	105.45	107.17
Total	509.10	498.55	502.25	515.40	522.05	534.05	552.80	545.54	543.35	549.75

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Functions/Program										
Governmental Activities:										
Administration										
Citizen Concerns Received	988	964	1,226	1,189	784	802	302	262	350	335
No. of Concerns Responses within 72 hours	98%	99%	98%	98%	99%	99%	100%	100%	100%	100%
Police										
Average number of physical arrests per month	223	228	240	291	264	285	260	274	189	209
Average number of calls for service per month	2,342	2,407	2,608	3,570	2,404	2,543	2,682	2,700	2,639	2,224
Citizen Concerns Received	363	326	379	316	256	230	307	296	217	269
No. of Concerns Responses with 72 hours	99%	96%	97%	93%	96%	100%	100%	100%	99%	100%
Municipal court										
Average Number of Court Sessions per year	32	32	33	32	32	32	34	35	34	34
No. of tickets processed	17,727	19,019	15,410	24,438	25,783	26,244	22,999	22,783	22,911	19,728
Public Works										
Slab Replacement (Square Yards)	16,123	19,230	32,400	38,732	21,439	123,765	39,917	5,460	5,200	23,937
Asphalt overlay (Miles)	6.3	7.8	6.7	5.3	9.0	6.9	7.0	6.0	8.6	16.0
Curb Replacement (Lineal Feet)	8,917	13,145	15,705	30,413	20,747	19,550	17,607	8,891	7,500	12,352
Crackseal (Lineal Feet)	43,402	56,684	51,677	25,357	82,697	105,347	75,000	90,744	131,250	104,762
Sidewalk (Square Feet)	7,735	10,335	25,348	15,130	12,910	13,420	13,125	3,671	7,755	9,000
Citizen Concerns Received	651	648	719	949	775	909	1,145	649	749	999
No. of Concerns Responses with 72 hours	94%	96%	97%	98%	91%	94%	97%	99%	97%	97%
Engineering										
New Commercial Construction Unit Permits Issued	13	24	35	24	8	11	7	19	11	11
Value of New Commercial Construction Units	\$ 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	\$ 18,029,175
New Residential Construction Unit Permits Issued	302	271	232	217	261	309	347	238	526	393
Value of New Residential Construction Units	\$ 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	\$ 87,488,896
Citizen Concerns Received	1,004	973	1,031	1,042	910	1,034	1,103	1,007	1,203	990
No. of Concerns Responses with 72 hours	96%	95%	98%	98%	98%	98%	98%	96%	97%	95%
Health										
Citizen Concerns Received	168	168	219	173	186	188	132	129	203	168
No. of Concerns Responses with 72 hours	99%	99%	100%	99%	100%	100%	100%	100%	99%	100%
Animal Control										
Citizen Concerns Received	62	36	32	42	60	46	61	66	59	48
No. of Concerns Responses with 72 hours	100%	97%	100%	100%	98%	100%	100%	100%	99%	94%
Parks and Recreation										
REC-PLEX Annual Passes	2,070	2,191	2,066	2,619	2,784	3,201	3,335	3,413	3,324	3,671
Citizen Concerns Received	166	159	186	201	165	181	195	201	199	215
No. of Concerns Responses with 72 hours	100%	100%	100%	100%	100%	100%	99%	100%	99%	100%
Business-type activities:										
Waterworks/Sanitary Sewer										
Number of water service connections	16,430	17,718	16,768	17,458	17,790	17,803	17,994	18,233	18,534	18,821
Daily average water consumption in gallons	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	5,553,000
Number of sanitary sewer service connections	17,563	17,718	17,913	18,078	18,211	18,427	18,607	18,603	18,998	19,180
Daily average sanitary sewer treatment in gallons	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	5,220,000
Citizen Concerns Received	1,239	909	1,049	1,225	944	1,019	1,152	853	1,084	1,093
No. of Concerns Responses with 72 hours	100%	100%	100%	100%	100%	100%	99%	100%	99%	99%
Solid Waste										
Citizen Concerns Received	118	101	108	99	69	75	88	70	59	72
No. of Concerns Responses with 72 hours	98%	100%	100%	100%	100%	100%	100%	100%	100%	99%

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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	230	230	243	297	297	297
Streetlights	2,483	2,483	2,483	2,483	2652	2652	3103	3,235	3,215	3,268
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	20	20	21	21	21	21	21	21	21
Park acreage	686	986	986	1,190	1285.8	1285.8	1283.8	1,284	1,284	1,284
Golf Courses	1	1	1	1	1	1	1	1	1	1
Outdoor swimming Pools	3	3	3	3	3	3	3	3	2	2
Tennis Courts	7	7	7	7	7	7	7	7	7	7
Miles of hiking/biking trails	10	10	10	10	14.1	14.6	21.5	22.4	22.6	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)	251	261	261	261	276	276	276	284.4	292.6	292.6
Fire hydrants	1,970	1,981	1,989	1,831	1895	1927	1948	1,953	1,968	1,976
Wastewater										
Sanitary sewers (miles)	227	239	239	239	243	243	243	257	258	258
Storm Sewers (miles)	147	161	161	161	161	161	175	186	214	214
Treatment capacity (thousands of gallons)	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	9,500,000
Solid Waste										
Customers - Residential	15,666	15,801	16,172	16,317	16,438	16,631	16,871	16,855	17,214	17,446
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.